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GLORY MARK HI-TECH (HOLDINGS) LIMITED
輝煌科技(控股)有限公司

(Incorporated in the Caymans Islands with limited liability)

Stock Code: 8159

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2013

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

The Board of Directors (the "Board") of the Company is pleased to announce the audited consolidated results of the Group for the year ended 31 December 2013, together with the comparative figures for the corresponding period of 2012, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2013

	NOTES	**2013** *HK$'000*	2012 *HK$'000*
Revenue	*4*	**280,308**	291,376
Cost of sales		**(242,884)**	(254,418)
Gross profit		**37,424**	36,958
Other income		**2,048**	3,568
Other gains and losses		**(1,019)**	(214)
Change in fair value of investment properties		**–**	3,950
Selling and distribution expenses		**(9,937)**	(10,845)
Administrative expenses		**(23,143)**	(26,502)
Profit before taxation		**5,373**	6,915
Income tax expense	*6*	**(1,818)**	(1,648)
Profit for the year	*7*	**3,555**	5,267
Other comprehensive income			
Item that may be reclassified subsequently to profit or loss			
Exchange differences arising from translation of foreign operations		**1,580**	365
Total comprehensive income for the year		**5,135**	5,632
Profit for the year attributable to:			
Owners of the Company		**3,460**	4,901
Non-controlling interests		**95**	366
		3,555	5,267
Total comprehensive income attributable to:			
Owners of the Company		**5,040**	5,266
Non-controlling interests		**95**	366
		5,135	5,632
Earnings per share	*8*		
Basic		**HK0.54 cents**	HK0.77 cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2013

	NOTES	**2013**	2012
		HK$'000	*HK$'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**62,579**	62,635
Prepaid lease payments		**9,657**	9,630
Investment properties		**10,700**	10,700
Available-for-sale investments		**5,526**	4,469
Club debenture		**560**	560
Deposits for land use rights		**679**	660
Deposits paid for acquisition of property, plant and equipment		**2,399**	1,705
Other receivable		**1,027**	1,342
		93,127	91,701
CURRENT ASSETS			
Inventories		**28,591**	24,367
Trade and other receivables	*10*	**77,038**	63,072
Bank balances and cash	*11*	**95,504**	157,985
		201,133	245,424
CURRENT LIABILITIES			
Trade and other payables	*12*	**87,765**	135,979
Amounts due to directors	*13*	**1,330**	1,371
Taxation payable		**28,031**	25,856
		117,126	163,206
NET CURRENT ASSETS		**84,007**	82,218
		177,134	173,919
CAPITAL AND RESERVES			
Share capital		**64,000**	64,000
Reserves		**112,016**	108,896
Equity attributable to owners of the Company		**176,016**	172,896
Non-controlling interests		**1,118**	1,023
		177,134	173,919

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2013

	Equity attributable to owners of the Company						
	Share capital	Merger reserve	Translation reserve	Retained profits	Sub-total	Non-controlling interests	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1 January 2012	64,000	680	11,622	92,288	168,590	697	169,287
Profit for the year	–	–	–	4,901	4,901	366	5,267
Other comprehensive income	–	–	365	–	365	–	365
Total comprehensive income for the year	–	–	365	4,901	5,266	366	5,632
Acquisition of additional interest in a subsidiary	–	–	–	–	–	(40)	(40)
Dividends recognised as distribution *(Note 9)*	–	–	–	(960)	(960)	–	(960)
At 31 December 2012	64,000	680	11,987	96,229	172,896	1,023	173,919
Profit for the year	**–**	**–**	**–**	**3,460**	**3,460**	**95**	**3,555**
Other comprehensive income	**–**	**–**	**1,580**	**–**	**1,580**	**–**	**1,580**
Total comprehensive income for the year	**–**	**–**	**1,580**	**3,460**	**5,040**	**95**	**5,135**
Dividends recognised as distribution *(Note 9)*	**–**	**–**	**–**	**(1,920)**	**(1,920)**	**–**	**(1,920)**
At 31 December 2013	**64,000**	**680**	**13,567**	**97,769**	**176,016**	**1,118**	**177,134**

The merger reserve of the Group represents the difference between the nominal value of the share capital of the subsidiaries acquired and the nominal value of the share capital of the Company issued for the acquisition under the group reorganisation in 2001.

Notes:

1. **GENERAL**

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 is listed on the Growth Enterprise Market operated by The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 4 January 2002. The addresses of the registered office and principal place of business of the Company are disclosed in the Corporate Information to the annual report.

The consolidated financial statements are presented in Hong Kong dollars. The functional currency of the Company is United States dollars ("USD"). As the Company is listed in Hong Kong, the directors consider that it is appropriate to present the consolidated financial statements in Hong Kong dollars.
The Company acts as an investment holding company.

2. **APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")**

The Group has applied the following new and revised HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time in the current year:

Amendments to HKFRSs	Annual Improvements to HKFRSs 2009 – 2011 Cycle
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance
HKFRS 10	Consolidated Financial Statements
HKFRS 12	Disclosure of Interests in Other Entities
HKFRS 13	Fair Value Measurement
HKAS 27 (as revised in 2011)	Separate Financial Statements
Amendments to HKAS 1	Presentation of Items of Other Comprehensive Income

Except as described below, the application of the new and revised HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

HKFRS 13 ***Fair Value Measurement***

The Group has applied HKFRS 13 for the first time in the current year. HKFRS 13 establishes a single source of guidance for, and disclosures about, fair value measurements. The scope of HKFRS 13 is broad: the fair value measurement requirements of HKFRS 13 apply to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, except for share-based payment transactions that are within the scope of HKFRS 2 *Share-based Payment*, leasing transactions that are within the scope of HKAS 17 *Leases*, and measurements that have some similarities to fair value but are not fair value (e.g. net realisable value for the purposes of measuring inventories or value in use for impairment assessment purposes).

HKFRS 13 defines the fair value of an asset as the price that would be received to sell an asset (or paid to transfer a liability, in the case of determining the fair value of a liability) in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under HKFRS 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, HKFRS 13 includes extensive disclosure requirements.

HKFRS 13 requires prospective application. In accordance with the transitional provisions of HKFRS 13, the Group has not made any new disclosures required by HKFRS 13 for the 2012 comparative period (please see notes 16 for the 2013 disclosures). Other than the additional disclosures, the application of HKFRS 13 has not had any material impact on the amounts recognised in the consolidated financial statements.

Amendments to HKAS 1 Presentation of Items of Other Comprehensive Income

The Group has applied the amendments to HKAS 1 *Presentation of Items of Other Comprehensive Income*. Upon the adoption of the amendments to HKAS 1, the Group's 'statement of comprehensive income' is renamed as the 'statement of profit or loss and other comprehensive income'. Furthermore, the amendments to HKAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis – the amendments do not change the option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes. Other than the above mentioned presentation changes, the application of the amendments to HKAS 1 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

Amendments to HKFRSs	Annual Improvements to HKFRSs 2010-2012 Cycle[3]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011-2013 Cycle[2]
HKFRS 9	Financial Instruments[5]
Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment Entities
Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions[2]
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities[1]
Amendments to HKAS 36	Recoverable Amount Disclosures for Non-Financial Assets[1]
Amendments to HKAS 39	Novation of Derivatives and Continuation of Hedge Accounting[1]
HKFRS 9	Financial Instruments: Hedge Accounting[5]
HKFRS 14	Regulatory Deferred Accounts[4]
HK(IFRIC) – Int 21	Levies[1]

[1] Effective for annual periods beginning on or after 1 January 2014.
[2] Effective for annual periods beginning on or after 1 July 2014.
[3] Effective for annual periods beginning on or after 1 July 2014, with limited exceptions.
[4] Effective for annual periods beginning on or after 1 January 2016.
[5] Available for application – the mandatory effective date will be determined when the outstanding phases of HKFRS 9 are finalised.

The directors of the Company anticipate that the application of the other new and revised standards, amendments or interpretations will have no material impact on the consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for investment properties that are measured at fair values, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods.

4. REVENUE

	2013	2012
	HK$'000	*HK$'000*
Sales of connectivity products mainly for computers and peripheral products	**280,308**	291,376

5. SEGMENT INFORMATION

The Group determines its operating segments based on the reports regularly reviewed by the executive directors, who are the chief operating decision makers, for the purpose of allocating resources to segments and assessing their performance.

Segment information reported internally for the purposes of resource allocation and performance assessment is analysed based on the class of customers which is the same as information reported to the chief operating decision makers. The Group is currently engaged in the sales of connectivity products to two classes of customers, namely, original equipment manufacturer customers ("OEM customers") and retail distributors. The Group's operating segments under HKFRS 8 are as follows:

	2013			2012		
	OEM customers	**Retail distributors**	**Total**	OEM customers	Retail distributors	Total
	HK$'000	***HK$'000***	***HK$'000***	*HK$'000*	*HK$'000*	*HK$'000*
SEGMENT REVENUE						
– External sales	**222,042**	**58,266**	**280,308**	237,345	54,031	291,376
SEGMENT PROFIT	**34,257**	**3,167**	**37,424**	31,281	5,677	36,958
Unallocated expenses			**(33,080)**			(37,347)
Other income			**2,048**			3,568
Other gains and losses			**(1,019)**			(214)
Change in fair value of investment properties			**–**			3,950
Profit before taxation			**5,373**			6,915

	2013			2012		
	OEM customers	**Retail distributors**	**Total**	OEM customers	Retail distributors	Total
	HK$'000	***HK$'000***	***HK$'000***	*HK$'000*	*HK$'000*	*HK$'000*
SEGMENT ASSETS						
Trade receivables *(Note)*	**56,633**	**13,394**	**70,027**	41,683	12,766	54,449
Property, plant and equipment, prepaid lease payments and inventories *(Note)*			**101,072**			96,870
Total segment assets			**171,099**			151,319
Other unallocated assets			**123,161**			185,806
Total assets			**294,260**			337,125

The Group's segment liabilities are not presented as they are not regularly reviewed by the Group's executive directors.

Note: The nature of products, the production processes and the methods used to distribute the products to the two classes of customers are similar. The Group's production facilities and inventories are located in the People's Republic of China (the "PRC"). These two classes of customers utilise the Group's resources in a similar manner. Accordingly, the property, plant and equipment, prepaid lease payments and receivables are not separately allocated to the individual segments. In contrast, the Group's executive directors regularly review trade receivables by operating segment.

Geographical information

The Group's operations are located in Hong Kong and the PRC, the Republic of China ("ROC").

Information about the Group's revenue from external customers is presented based on the geographical location of the customers. Information about the Group's non-current assets is presented based on the geographical location of the assets.

	Revenue from external customers	
	2013	2012
	HK$'000	*HK$'000*
Korea	**99,244**	87,753
ROC	**80,492**	83,362
Japan	**65,069**	72,004
United States of America	**29,929**	40,885
Others	**5,574**	7,372
	280,308	291,376

	Non-current assets (excluding available-for-sale investments, club debenture and other receivable)	
	2013	2012
	HK$'000	*HK$'000*
PRC	**73,121**	73,499
Hong Kong	**11,253**	11,211
Others	**1,640**	620
	86,014	85,330

Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the Group's revenue are as follows:

	2013	2012
	HK$'000	*HK$'000*
Customer A[1]	**76,565**	64,104
Customer B[1]	**N/A[3]**	44,560
Customer C[2]	**43,963**	42,710
Customer D[1]	**28,691**	N/A[3]

1 Revenue from OEM customers
2 Revenue from Retail distributors
3 The corresponding revenue did not contribute over 10% of the Group's revenue.

6. INCOME TAX EXPENSE

The amount represents current tax charge on assessable profits arising in jurisdictions other than Hong Kong and is calculated at the rates prevailing in the relevant jurisdictions. Majority of the subsidiaries are subject to enterprise income tax in the PRC. The applicable enterprise income tax rate of the PRC is 25% in accordance with the relevant income tax law and regulations in the PRC for both years.

No provision for Hong Kong Profits Tax has been made in the consolidated financial statements as there is no assessable profits for both years.

The taxation charge for the year can be reconciled to the profit before taxation per the consolidated statement of profit or loss and other comprehensive income as follows:

	2013	2012
	HK$'000	*HK$'000*
Profit before taxation	**5,373**	6,915
Tax at the domestic income tax rate of 25%	**1,343**	1,729
Tax effect of income not taxable for tax purpose	**(2,316)**	(3,089)
Tax effect of expenses not deductible for tax purpose	**2,020**	2,328
Tax effect of unrecognised tax losses	**565**	590
Effect of different tax rates of subsidiaries operating in other jurisdictions	**206**	90
Taxation charge for the year	**1,818**	1,648

At 31 December 2013, the Group has unused tax losses of HK$21,087,000 (2012: HK$18,827,000) available for offset against future profits. No deferred tax asset has been recognised as it is not probable that taxable profit will be available against which the unused tax losses can be utilised. The tax losses arising from Hong Kong subsidiaries may be brought forward indefinitely while those arising from PRC subsidiaries may be brought forward for 5 years. Unused tax losses related to PRC subsidiaries being amounted to HK$2,761,000 (2012: HK$2,507,000) and will expire between 2014 and 2018 (2012: between 2013 and 2017).

7. PROFIT FOR THE YEAR

	2013	2012
	HK$'000	*HK$'000*
Profit for the year has been arrived at after charging and (crediting):		
Directors' remuneration	**5,466**	6,002
Other staff costs		
Salaries and other benefits	**67,732**	60,236
Retirement benefit scheme contributions (excluding directors)	**3,781**	3,304
Total staff costs	**76,979**	69,542
Auditor's remuneration	**913**	715
Depreciation of property, plant and equipment	**6,553**	9,178
Amortisation of prepaid lease payments	**244**	238
Cost of inventories recognised as expenses (including reversal of allowance for inventories of HK$2,013,000 (2012: HK$604,000))	**242,884**	254,418
Impairment loss on available-for-sale investments	**610**	317
(Gain) loss on disposal of property, plant and equipment	**(149)**	28
Net foreign exchange loss (gain)	**345**	(131)
Interest income on bank deposits recorded as other income	**(866)**	(999)
Provision for allowance for doubtful debt	**2**	–
Write-off of deposit for acquisition of property, plant and equipment	**213**	–

8. EARNINGS PER SHARE

The calculation of the basic earnings per share attributable to the owners of the Company is based on the following data:

	2013	2012
	HK$'000	*HK$'000*
Profit for the year attributable to the owners of the Company	**3,460**	4,901
	'000	*'000*
Number of ordinary shares for the purpose of basic earnings per share	**640,000**	640,000

No diluted earnings per share has been presented because the Company did not have any outstanding potential dilutive ordinary share during both years.

9. DIVIDENDS

	2013	2012
	HK$'000	*HK$'000*
Dividends recognised as distribution during the year:		
2012 Final – HK0.30 cents (2011: 0.15 cents) per share	**1,920**	960

The final dividend of HK0.30 cents (2012: HK0.30 cents) per share has been proposed by the Directors and is subject to approve by the shareholders in annual general meeting. The final dividend will be payable on 26 June 2014, Thursday to the shareholders whose names appear on the register on Members of the Company on 19 May 2014, Monday.

10. TRADE AND OTHER RECEIVABLES

	2013	2012
	HK$'000	*HK$'000*
Trade receivables	**70,597**	55,017
Less: Allowance for doubtful debts	**(570)**	(568)
	70,027	54,449
Other receivables, prepayment to suppliers and deposits	**7,011**	8,623
Total trade and other receivables	**77,038**	63,072

Other receivable classified as non-current asset as at 31 December 2013 of HK$1,027,000 (2012: HK$1,342,000) represents advances made to third parties to procure potential investment projects which are refundable. The amount will be transferred to available-for-sale investments upon share allotment.

The Group allows an average credit period ranging from 30 to 180 days to its trade customers. The following is an aged analysis of trade receivables, net of allowance for doubtful debts, presented based on the invoice date at the end of the reporting period which approximated the respective revenue recognition dates:

	2013	2012
	HK$'000	*HK$'000*
0-30 days	**23,555**	19,605
31-120 days	**45,684**	33,577
121-180 days	**788**	965
Over 180 days	**–**	302
	70,027	54,449

Included in the Group's trade receivable balance are debtors with aggregate carrying amount of HK$1,760,000 (2012: HK$2,204,000) which have been past due at the end of the reporting period for which the Group has not provided for impairment loss. The Group does not hold any collateral over these balances. The average age of these receivables is 81 days (2012: 95 days).

Ageing of trade receivables which are past due but not impaired

	2013	2012
	HK$'000	*HK$'000*
31-120 days	**1,760**	948
121-180 days	**–**	954
Over 180 days	**–**	302
	1,760	2,204

The Group has provided fully for receivables over 180 days if there are no more trading activities with the debtor because historical experience shows that such receivables are generally not recoverable.

Movement in the allowance for doubtful debts

	2013	2012
	HK$'000	*HK$'000*
1 January	**568**	568
Impairment losses recognised on receivable	**2**	–
31 December	**570**	568

The amount of the Group's trade and other receivables denominated in currencies other than the functional currency of the relevant group entities are set out below:

	2013	2012
	HK$'000	*HK$'000*
USD	**332**	380
HK$	**19,877**	8,964

11. BANK BALANCES AND CASH

Bank balances comprise short-term bank deposits with the original maturity of three months or less of HK$67,693,000(2012: HK$122,716,000) at fixed interest rates ranging from 0.28% to 3.28% (2012: 0.28% to 3.28%) per annum and bank balances of HK$26,418,000 (2012: HK$34,078,000) at variable interest rates with effective interest rates ranging from 0.001% to 0.385% (2012: 0.003% to 0.35%) per annum and cash balances of HK$1,393,000 (2012: HK$1,191,000).

The amount of the Group's bank balances and cash denominated in currencies other than the functional currency of the relevant group entities are set out below:

	2013	2012
	HK$'000	*HK$'000*
USD	**308**	482
HK$	**7,824**	11,063
NTD	**2,723**	5,069
RMB	**41,132**	97,972
EUR	**–**	12

12. TRADE AND OTHER PAYABLES

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

The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period:

	2013	2012
	HK$'000	*HK$'000*
Trade payables		
Within 30 days	**14,905**	12,857
31 – 90 days	**28,706**	23,747
91 – 150 days	**9,131**	13,793
Over 150 days	**3,307**	3,140
	56,049	53,537
Other payables		
Temporary receipt for potential investments *(Note)*	**–**	56,327
Receipt-in-advance	**5,988**	2,742
Others	**25,728**	23,373
	31,716	82,442
	87,765	135,979

Note: As at 31 December 2012, included in other payable were temporary receipt for potential investments of HK$56,327,000 received from third parties. The Group originally intended to cooperate with these parties to procure potential investments but they were cancelled during the year. The amount was fully refunded to third parties upon the cancellation.

The amount of the Group's trade and other payables denominated in currencies other than the functional currency of the relevant group entities are set out below:

	2013	2012
	HK$'000	*HK$'000*
HK$	**19,869**	72,797
NTD	**1,637**	15,603
RMB	**2,935**	1,397
EUR	**18**	18

13. AMOUNTS DUE TO DIRECTORS

The amounts are unsecured, interest-free and repayable on demand. One of the directors is also a shareholder who has significant influence over the Company.

14. RELATED AND CONNECTED PARTY TRANSACTIONS

In addition to the related party balances disclosed in note 13, during the year, the Group entered into the following transactions with related and connected parties:

Name	**Nature of transactions**	**2013**	2012
		HK$'000	*HK$'000*
Glory Mark Electronic Limited (incorporated in Taiwan) ("GM (Taiwan)")	Rental paid by the Group	**156**	158
Billion Mass Limited ("Billion Mass")	Rental paid by the Group	**804**	804
San Chen Company ("San Chen")	Rental paid by the Group	**156**	158
Yu Lan	Rental paid by the Group	**125**	126

Mr. Pang Kuo-Shi, director and shareholder with significant influence over the Company, and Mr. Wong Chun and Mr. Hsia Chieh-Wen, directors and substantial shareholders of the Company, together hold 79% controlling interest in GM (Taiwan) and 100% controlling interest in Billion Mass. San Chen is 42.75% owned by Mr. Pang Kuo-Shi and Yu Lan is the spouse of Mr. Pang Kuo-Shi. All the above related parties are also connected persons as defined under Chapter 20 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange that constitutes connected transactions.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

Revenue and gross profit

For the year ended 31 December 2013, the Group recorded a consolidated turnover of approximately HK$280.3 million (2012: approximately HK$291.4 million), representing a decrease of approximately 3.8% as compared to the corresponding previous year.

Revenue from OEM customers recorded approximately HK$222.0 million, representing a slight decrease of 6.4%. Revenue from retail distributors recorded approximately HK$58.3 million, representing an increase of 7.8%.

In terms of geographical segments analysis, the turnover to Korea increased by approximately 13.1%. Revenue from ROC, Japan, United States of America and the other regions decreased by approximately 3.4%, 9.6%, 26.8% and 24.4% respectively.

Gross profit margin was 13.4% in 2013 as compared to 12.7% in 2012. The improvement in gross profit margin was mainly due to the launching of some higher value-added products in 2013.

Other income

Other income was approximately HK$2.0 million, as compared to the amount of HK$3.6 million as recorded in 2012.

Selling and distribution expenses

Selling and distribution expenses decreased by 8.4% to approximately HK$9,937,000 in 2013 (2012: approximately HK$10,845,000). The decrease was in line with the revenue between the two comparative years.

Administrative expenses

Administrative expenses decreased by 12.7% to approximately HK$23,143,000 in 2013, as compared to approximately HK$26,502,000 in 2012, which was a result of effective cost control exercised by the Group.

Financial cost

The Group did not incur any financial cost in both 2013 and 2012.

Income tax expenses

The Group recorded an income tax expense of approximately HK$1,818,000 in 2013, as compared to HK$1,648,000 in 2012.

Profit for the year attributable to owners of the Company

Profit for the year attributable to owners of the Company was approximately HK$3,460,000 in 2013, as compared to a profit of approximately HK$4,901,000 in 2012.

YEAR IN REVIEW

Liquidity and Financial Resources

As at 31 December 2013, the Group's net current assets, cash and bank balances and shareholders' funds amounted to approximately HK$84.0 million (2012: HK$82.2 million), HK$ 95.5 million (2012: HK$158.0 million) and HK$176.0 million (2012: HK$172.9 million) respectively. The current ratio, expressed as current assets over current liabilities, was maintained at the satisfactory level of 1.72 (2012: 1.50). The Group had no bank borrowing at the end of both years.

Research and Development Capabilities

It is an ongoing strategy of the Group to focus on our research and development capabilities, as it is critical in maintaining the Group's competitive edge in the market. The Group had 30 engineers/technicians in the research and development department as at 31 December 2013.

Sales and Marketing

To deal with the downturn of the global market, the marketing team tried to secure the businesses with valuable customers and procure new reliable customers.

Employees

As at 31 December 2013, the Group had 1,417 (2012: 1,245) employees. Employee remuneration, excluding directors' emoluments, for the year ended 31 December 2013 was approximately HK$66.6 million (2012: HK$60.8 million). 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 are reviewed annually.

Currency Risk

The Group's purchases were made in NT$, US$, HK$ and RMB which represented approximately 7.8%, 42.2%, 30.9% and 19.1% respectively for the year ended 31 December 2013. (2012: 4.8%, 46.4%, 33.1% and 15.7% respectively).

Prospect

The Directors anticipated that the weak economic recovery in U.S.A. and the European countries, the significant uptick in wages and shortage of labour in PRC will continue to weigh on our industry in 2014.

Having considered the unfavourable economic situations, the Directors keep a conservative view as to the results of the Group in the coming quarters.

Dividend

The Directors proposed a final dividend of HK0.30 cents (2012: 0.30 cents) per share, which is subject to the approval by the shareholders in annual general meeting for the year ended 31 December 2013. The final dividend will be payable on 26 June 2014, Thursday to the shareholders whose names appear on the register on Members of the Company on 19 May 2014, Monday.

Closure of Register for AGM

The register of members of the Company will be closed from 5 May 2014, Monday to 8 May 2014, Thursday (both dates inclusive), for the purposes of determining the entitlements of the Shareholders to attend and vote at the AGM. No transfer of the Shares may be registered on those dates. In order to qualify to attend and vote at the AGM, all transfers of Shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Hong Kong Registrars Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, by no later than 4:30 p.m. on 2 May 2014, Friday.

Closure of Register for Final Dividend

The register of members of the Company will be closed from 15 May 2014, Thursday to 19 May 2014, Monday (both dates inclusive), for the purposes of determining the entitlements of the Shareholders to the proposed final dividend upon the passing of relevant resolution. No transfer of the Shares may be registered on those dates. In order to qualify for the proposed final dividend, all transfers of Shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Hong Kong Registrars Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, by no later than 4:30 p.m. on 14 May 2014, Wednesday.

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

As at 31 December 2013, the interests of the directors and their associates in the shares and underlying shares of the Company, as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the required standard of dealings by directors of listed issuer as referred to the Rules 5.46 to 5.67 of Chapter 5 of the Rules Governing the Listing of Securities on the Growth Enterprise Market ("GEM") of the Stock Exchange (the "GEM Listing Rules"), were as follows:

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	116,544,000	18.21%
Mr. Hsia Chieh-Wen ("Mr. Hsia")	Beneficial owner	69,888,000	10.92%

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 31 December 2013.

SHARE OPTION SCHEME

During the year ended 31 December 2013, no share options were granted or exercised. As at 31 December 2013, no share options were outstanding.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Other than as disclosed above, at no time during the year ended 31 December 2013 was the Company or any of its subsidiaries, a party to any arrangements to enable the directors of the Company to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

SUFFICIENT OF PUBLIC FLOAT

The Company has maintained a sufficient public float throughout the year ended 31 December 2013.

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

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.

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 Futures Ordinance shows that the following shareholder as having notifiable interest in the issued share capital of the Company as at 31 December 2013.

Name of substantial shareholder	Capacity	Number of issued ordinary shares held	Percentage of issued share capital of the Company
HSBC International Trustee Limited *(Note)*	Trustee	279,616,000	43.69%

Note: HSBC International Trustee Limited, being the trustee of the discretionary trust as at 31 December 2013, the Pang's Family Trust, and was 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 was 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 was a beneficiary of the Pang's Family Trust.

CONNECTED TRANSACTIONS AND DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

During the year, the Group paid rental expense of HK$156,000 (2012: HK$158,000) to San Chen Company in which Mr. Pang Kuo-Shi holds 42.75% equity interest and can exercise significant influence in it.

Other than as disclosed above and in note 14, there were no transactions, which need to be disclosed as connected transactions in accordance with the requirements of the GEM Listing Rules.

The independent non-executive directors confirm that the transactions have been entered into by the Group in the ordinary course of its business and in accordance with the terms of the agreement governing such transactions and are fair and reasonable and in the interest of the shareholders as a whole.

No contract of significance, to which the Company or 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 the year or at any time during the year ended 31 December 2013.

EMOLUMENT POLICY

The Group's employees are selected, remunerated and promoted based on their merit, qualifications and competence.

The emoluments of the directors of the Company are determined with regard to the performance of individuals, the Company's operating results and market standards.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's bye-laws, or the laws of Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders of the Company.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2013.

DONATIONS

During the year ended 31 December 2013, the Group made charitable and other donations amounting to approximately HK$29,000.

CORPORATE GOVERNANCE

The Company complied throughout the year ended 31 December 2013 with the code provisions in the Corporate Governance Code and Corporate Governance Practices contained in Appendix 15 to the GEM Listing Rules, save for one exception: Code provision A.4.1 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 compiled 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 comprises three members – Dr. Lui Ming Wah, S.B.S., JP, Mr. Lau Ho Kit, Ivan and Mr. Wong Kwong Chi, who are independent non-executive directors. During the year, the audit committee held three meetings and performed the following duties:

(1) reviewed and commented on the Company's draft annual, interim and quarterly financial announcements;

(2) reviewed and commented on the Group's internal controls; and

(3) met with the external auditors and participated in the reappointment and assessment of the performance of the external auditors.

The annual results presented herein have been reviewed by the Audit Committee.

EVENT AFTER THE REPORTING PERIOD

On 28 February 2014, HSBC International Trustee Limited as the trustee of a discretionary trust has caused its wholly-owned subsidiary, True Profit Management Limited, to transfer 1 share in Modern Wealth Assets Limited ("Modern Wealth"), the immediate controlling shareholder of the Company, representing the entire issued shares thereof, to Ms. Yu Lan, the wife of Mr. Pang Kuo-Shi, an executive director of the Company, who in turn has transferred the said share to Mr. Pang Kuo-Shi (the "Transfers"). Modern Wealth holds 279,616,000 shares in the Company, representing 43.69% of the total issued share capital of the Company, thus after the Transfers Mr. Pang Kuo-Shi is deemed to be interested in 279,616,000 shares in the Company through Modern Wealth and becomes the ultimate controlling shareholder of the Company. Subsequent to becoming the ultimate controlling shareholder, Mr. Pang Kuo-Shi will remain as an executive director and the chairman of the board of directors. The directors consider that the change of the ultimate controlling shareholder will not have any impact on the financial position and operations of the Group.

AUDITOR

A resolution will be submitted to the annual general meeting to re-appoint Messrs. Deloitte Touche Tohmatsu as auditor of the Company.

On behalf of the Board
Pang Kuo Shi
CHAIRMAN

Hong Kong, 25 March 2014

As at the date of this announcement, the Board comprises Messrs. Pang Kuo-Shi also known as Steve Pang, Wong Chun and Hsia Chieh-Wen also known as Paul Hsia being Executive Directors and Dr. Lui Ming Wah, S.B.S., JP, Mr. Lau Ho Kit, Ivan and Mr. Wong Kwong Chi 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 its date of publication and on the Company's website at www.glorymark.com.tw/hk/investors.htm.