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 2014

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.

This announcement, for which the directors of the Company (the "Directors") 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 2014, together with the comparative figures for the corresponding period of 2013, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2014

	NOTES	**2014**	2013
		HK$'000	*HK$'000*
Revenue	*4*	**301,914**	280,308
Cost of sales		**(266,795)**	(242,884)
Gross profit		**35,119**	37,424
Other income		**3,303**	2,048
Other gains and losses		**(945)**	(1,019)
Change in fair value of investment properties		**1,000**	–
Selling and distribution expenses		**(10,335)**	(9,937)
Administrative expenses		**(25,334)**	(23,143)
Gain on disposal of available-for-sale investment		**228**	–
Profit before taxation		**3,036**	5,373
Income tax expense	*6*	**(1,808)**	(1,818)
Profit for the year	*7*	**1,228**	3,555
Other comprehensive (expense) income			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**(1,449)**	1,580
Total comprehensive (expense) income for the year		**(221)**	5,135
Profit (loss) for the year attributable to:			
Owners of the Company		**1,395**	3,460
Non-controlling interests		**(167)**	95
		1,228	3,555
Total comprehensive (expense) income attributable to:			
Owners of the Company		**(54)**	5,040
Non-controlling interests		**(167)**	95
		(221)	5,135
Earnings per share	*8*		
Basic		**HK0.22 cents**	HK0.54 cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2014

	NOTES	**2014**	2013
		HK$'000	*HK$'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**61,241**	62,579
Prepaid lease payments		**9,176**	9,657
Investment properties		**11,700**	10,700
Available-for-sale investments		**8,279**	5,526
Club debenture		**560**	560
Deposits for land use rights		**662**	679
Deposits paid for acquisition of property, plant and equipment		**2,068**	2,399
Other receivable		**818**	1,027
		94,504	93,127
CURRENT ASSETS			
Inventories		**24,587**	28,591
Trade and other receivables	*10*	**79,590**	76,793
Prepaid lease payments		**243**	245
Bank balances and cash	*11*	**89,574**	95,504
		193,994	201,133
CURRENT LIABILITIES			
Trade and other payables	*12*	**83,127**	87,765
Amounts due to directors	*13*	**1,330**	1,330
Taxation payable		**29,048**	28,031
		113,505	117,126
NET CURRENT ASSETS		**80,489**	84,007
NET ASSETS		**174,993**	177,134
CAPITAL AND RESERVES			
Share capital		**64,000**	64,000
Reserves		**110,042**	112,016
Equity attributable to owners of the Company		**174,042**	176,016
Non-controlling interests		**951**	1,118
TOTAL EQUITY		**174,993**	177,134

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2014

	Equity attributable to owners of the Company						
	Share capital *HK$'000*	**Merger reserve** *HK$'000* *(note)*	**Translation reserve** *HK$'000*	**Retained profits** *HK$'000*	**Sub-total** *HK$'000*	**Non-controlling interests** *HK$'000*	**Total** *HK$'000*
At 1 January 2013	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
Profit (loss) for the year	–	–	–	1,395	1,395	(167)	1,228
Other comprehensive expense	–	–	(1,449)	–	(1,449)	–	(1,449)
Total comprehensive (expense) income for the year	–	–	(1,449)	1,395	(54)	(167)	(221)
Dividends recognised as distribution *(Note 9)*	–	–	–	(1,920)	(1,920)	–	(1,920)
At 31 December 2014	**64,000**	**680**	**12,118**	**97,244**	**174,042**	**951**	**174,993**

Note: 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 GEM operated by the 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 for the year ended 31 December 2014.

The Company acts as an investment holding company. Details of the principal activities of its subsidiaries are set out in the Particulars of Subsidiaries section of the annual report for the year ended 31 December 2014.

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.

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

(a) Application of new and revised 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 HKFRS 10, HKFRS 12 and HKAS 27	Investment Entities
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities
Amendments to HKAS 36	Recoverable Amount Disclosures for Non - Financial Assets
Amendments to HKAS 39	Novation of Derivatives and Continuation of Hedge Accounting
HK (IFRIC) - Int 21	Levies

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.

(b) New and revised HKFRSs in issue but not yet effective

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

HKFRS 9	Financial Instruments[1]
HKFRS 14	Regulatory Deferral Accounts[2]
HKFRS 15	Revenue from Contracts with Customers[3]
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations[5]
Amendments to HKAS 1	Disclosure Initiative[5]
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[5]
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants[5]
Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions[4]
Amendments to HKAS 27	Equity Method in Separate Financial Statements[5]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[5]
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception[5]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2010 - 2012 Cycle[6]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011 - 2013 Cycle[4]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012 - 2014 Cycle[5]

[1] Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.

[2] Effective for first annual HKFRS financial statements beginning on or after 1 January 2016, with earlier application permitted.

[3] Effective for annual periods beginning on or after 1 January 2017, with earlier application permitted.

[4] Effective for annual periods beginning on or after 1 July 2014, with earlier application permitted.

[5] Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted.

[6] Effective for annual periods beginning on or after 1 July 2014, with limited exceptions. Earlier application is permitted.

The Directors do not anticipate that the above new and revised HKFRSs will have a material effect on the Group's consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the GEM of the Exchange (the "GEM Listing Rules") and by the Hong Kong Companies Ordinance (Cap. 32).

Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for investment properties that are measured at fair values at the end of each accounting period, 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 and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2, leasing transactions that are within the scope of HKAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 or value in use in HKAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

4. REVENUE

	2014	2013
	HK$'000	*HK$'000*
Sales of connectivity products mainly for computers and peripheral products	**301,914**	280,308

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 reportable and operating segments under HKFRS 8 are as follows:

	2014			2013		
	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	**240,680**	**61,234**	**301,914**	222,042	58,266	280,308
SEGMENT PROFIT	**31,322**	**3,797**	**35,119**	34,257	3,167	37,424
Unallocated expenses			**(35,669)**			(33,080)
Other income			**3,303**			2,048
Other gains and losses			**(945)**			(1,019)
Gain on disposal of available-for-sale investment			**228**			–
Change in fair value of investment properties			**1,000**			–
Profit before taxation			**3,036**			5,373

	2014			2013		
	OEM customers	**Retail distributors**	**Total**	OEM customers	Retail distributors	Total
	HK$'000	***HK$'000***	***HK$'000***	*HK$'000*	*HK$'000*	*HK$'000*
ASSETS						
SEGMENT ASSETS						
Trade receivables *(Note)*	**58,096**	**13,846**	**71,942**	56,633	13,394	70,027
Property, plant and equipment, prepaid lease payments and inventories *(Note)*			**95,247**			101,072
Total segment assets			**167,189**			171,099
Other unallocated assets			**121,309**			123,161
Total assets			**288,498**			294,260

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 inventories 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, the PRC and 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	
	2014	2013
	HK$'000	*HK$'000*
Korea	**108,565**	99,244
ROC	**96,506**	80,492
Japan	**72,776**	65,069
United States of America	**17,879**	29,929
Others	**6,188**	5,574
	301,914	280,308

	Non-current assets (excluding available-for-sale investments, club debenture and other receivable)	
	2014	2013
	HK$'000	*HK$'000*
PRC	**71,609**	73,121
Hong Kong	**11,878**	11,253
Others	**1,360**	1,640
	84,847	86,014

Information about major customers

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

	2014	2013
	HK$'000	*HK$'000*
Customer A[1]	**94,517**	76,565
Customer B[1]	**64,033**	N/A[3]
Customer C[2]	**49,833**	43,963
Customer D[1]	**17,346**	28,691

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:

	2014	2013
	HK$'000	*HK$'000*
Profit before taxation	**3,036**	5,373
Tax at the domestic income tax rate of 25%	**759**	1,343
Tax effect of income not taxable for tax purpose	**(3,695)**	(2,316)
Tax effect of expenses not deductible for tax purpose	**4,061**	2,020
Tax effect of unrecognised tax losses	**596**	565
Utilisation of tax losses	**(9)**	–
Effect of different tax rates of subsidiaries operating in other jurisdictions	**96**	206
Taxation charge for the year	**1,808**	1,818

At 31 December 2014, the Group has unused tax losses of HK$23,432,000 (2013: HK$21,087,000) 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 amounted to HK$3,819,000 (2013: HK$2,761,000) and will expire between 2015 and 2019 (2013: between 2014 and 2018).

7. PROFIT FOR THE YEAR

	2014	2013
	HK$'000	*HK$'000*
Profit for the year has been arrived at after charging and (crediting):		
Directors' remuneration	**5,554**	5,466
Other staff costs		
Salaries and other benefits	**79,333**	67,732
Retirement benefit scheme contributions (excluding directors)	**4,962**	3,781
Total staff costs	**89,849**	76,979
Auditor's remuneration	**840**	913
Depreciation of property, plant and equipment	**6,892**	6,553
Amortisation of prepaid lease payments	**243**	244
Cost of inventories recognised as expenses (including reversal of allowance for inventories of HK$544,000 (2013: HK$2,013,000) *(Note)*)	**266,795**	242,884
Impairment loss on available-for-sale investments (including in other gains and losses)	**598**	610
Gain on disposal of property, plant and equipment (including in other gains and losses)	**(167)**	(149)
Net foreign exchange loss	**512**	345
Interest income on bank deposits (included in other income)	**(694)**	(866)
Rental income (included in other income)	**(1,268)**	(169)
Allowance for doubtful debts	**–**	2
Write-off of deposit for acquisition of property, plant and equipment	**–**	213

Note: Reversal of allowance for inventories was recognised because of subsequent usage.

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:

	2014	2013
	HK$'000	*HK$'000*
Profit for the year attributable to the owners of the Company	**1,395**	3,460
	'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

	2014	2013
	HK$'000	*HK$'000*
Dividends recognised as distribution during the year:		
2013 Final - HK0.30 cents (2013: 2012 final dividend of HK0.30 cents) per share	**1,920**	1,920

The final dividend of HK0.30 cents per share in respect of the year ended 31 December 2014 (2013: final dividend of HK0.30 cents per share for the year ended 31 December 2013) has been proposed by the Directors and is subject to approval by the shareholders in the forthcoming annual general meeting to be held on 9 June 2015, Tuesday ("AGM").

The final dividend will be payable on 29 June 2015, Monday to the shareholders whose names appear on the register on Members of the Company on 18 June 2015, Thursday.

10. TRADE AND OTHER RECEIVABLES

	2014	2013
	HK$'000	*HK$'000*
Trade receivables	**71,942**	70,597
Less: Allowance for doubtful debts	**–**	(570)
	71,942	70,027
Other receivables, prepayment to suppliers and deposits	**7,648**	6,766
Total trade and other receivables	**79,590**	76,793

Other receivable classified as non-current asset as at 31 December 2014 of HK$818,000 (2013: HK$1,027,000) represents advances made to Grandmark Industrial Limited 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:

	2014	2013
	HK$'000	*HK$'000*
0-30 days	**29,273**	23,555
31-120 days	**42,653**	45,684
121-180 days	**16**	788
	71,942	70,027

Included in the Group's trade receivable balance are debtors with aggregate carrying amount of HK$93,000 (2013: HK$1,760,000) 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 87 days (2013: 81 days).

Ageing of trade receivables which are past due but not impaired

	2014	2013
	HK$'000	*HK$'000*
31-120 days	**93**	1,760

Movement in the allowance for doubtful debts

	2014	2013
	HK$'000	*HK$'000*
1 January	**570**	568
Impairment losses recognised on receivable	**–**	2
Amount written off as uncollectible	**(570)**	–
31 December	**–**	570

11. BANK BALANCES AND CASH

Bank balances comprise short-term bank deposits with the original maturity of three months or less of HK$50,134,000 (2013: HK$67,693,000) at fixed interest rates ranging from 0.01% to 5.00% (2013: 0.28% to 3.28%) per annum and bank balances of HK$36,803,000 (2013: HK$26,418,000) at variable interest rates with effective interest rates ranging from 0.001% to 0.385% (2013: 0.001% to 0.385%) per annum and cash balances of HK$2,637,000 (2013: HK$1,393,000).

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:

	2014	2013
	HK$'000	*HK$'000*
Trade payables		
Within 30 days	**12,578**	14,905
31 - 90 days	**26,433**	28,706
91 - 150 days	**8,599**	9,131
Over 150 days	**3,175**	3,307
	50,785	56,049
Other payables		
Receipt-in-advance	**4,685**	5,988
Staff salaries and welfare payable	**14,850**	12,524
Deposits received from customers	**2,094**	1,591
Value added tax payable and other tax payable	**893**	791
Accrued audit and other professional fee	**1,317**	1,158
Others	**8,503**	9,664
	32,342	31,716
	83,127	87,765

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 PARTY AND CONNECTED 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	2014 *HK$'000*	2013 *HK$'000*
Glory Mark Electronic Limited (incorporated in Taiwan) ("GM (Taiwan)") *(Note 1)*	Rental paid by the Group	**156**	156
Billion Mass Limited ("Billion Mass") *(Note 1)*	Rental paid by the Group	**1,032**	804
San Chen Company ("San Chen") *(Note 2)*	Rental paid by the Group	**156**	156
Ms. Yu Lan	Rental paid by the Group	**125**	125

Note 1: Mr. Pang Kuo-Shi, director and ultimate controlling shareholder of 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.

Note 2: San Chen is 42.75% owned by Mr. Pang Kuo-Shi and Ms. 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 GEM Listing Rules that constitutes connected transactions.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

Revenue and gross profit

For the year ended 31 December 2014, the Group recorded a consolidated turnover of approximately HK$301.9 million (2013: approximately HK$280.3 million), representing an increase of approximately 7.7% as compared to the corresponding previous year.

Revenue from OEM customers and retail distributors recorded approximately HK$240.7 million and HK$61.2 million respectively, representing a slight increase of approximately 8.4% and 5.1% respectively.

In terms of geographical segments analysis, the turnover from Korea, ROC, Japan and the other regions increased by approximately 9.4%, 19.9%, 11.8% and 11.0% respectively. Revenue from the United States of America decreased by approximately 40.3%.

Gross profit margin was approximately 11.6% in 2014 as compared to approximately 13.4% in 2013. The drop in gross profit margin percentage was mainly due to the significant increase in wages rate in PRC in 2014.

Other income

Other income was approximately HK$3,303,000 in 2014 as compared to the amount of approximately HK$2,048,000 as recorded in 2013.

Selling and distribution expenses

Selling and distribution expenses was approximately HK$10,335,000 in 2014 (2013: approximately HK$9,937,000). The slight increase was in line with the revenue between the two comparative years.

Administrative expenses

Administrative expenses was approximately HK$25,334,000 in 2014 as compared to approximately HK$23,143,000 in 2013.

Financial cost

The Group did not incur any financial cost in both 2014 and 2013.

Income tax expenses

The Group recorded an income tax expense of approximately HK$1,808,000 in 2014 as compared to approximately HK$1,818,000 in 2013.

Profit for the year attributable to owners of the Company

Profit for the year attributable to owners of the Company was approximately HK$1,395,000 in 2014, compared to a profit of approximately HK$3,460,000 in 2013.

YEAR IN REVIEW

Liquidity and Financial Resources

As at 31 December 2014, the Group's net current assets, cash and bank balances and shareholders' funds amounted to approximately HK$80.5 million (2013: approximately HK$84.0 million), HK$89.6 million (2013: approximately HK$95.5 million) and HK$174.0 million (2013: approximately HK$176.0 million) respectively. The current ratio, expressed as current assets over current liabilities, was maintained at the satisfactory level of 1.71 (2013: 1.72). 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 32 engineers/technicians in the research and development department as at 31 December 2014.

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 2014, the Group had 1,347 (2013: 1,417) employees. Employee remuneration, excluding directors' emoluments, for the year ended 31 December 2014 was approximately HK$77.4 million (2013: approximately HK$66.6 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 2.3%, 45.4%, 29.6% and 22.7% respectively for the year ended 31 December 2014. (2013: approximately 7.8%, 42.2%, 30.9% and 19.1% respectively).

Prospect

The Directors anticipated that the weak economic recovery in Japan and western countries, the significant uptick in wages and shortage of labour in PRC will continue to weigh on our industry in 2015.

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

Dividend

The Directors proposed a final dividend of HK0.30 cents (2013: 0.30 cents) per share, which is subject to the approval by the shareholders in the AGM. The final dividend will be payable on 29 June 2015, Monday to the shareholders whose names appear on the register on Members of the Company on 18 June 2015, Thursday.

Closure of Register for AGM

The register of members of the Company will be closed from 5 June 2015, Friday to 9 June 2015, Tuesday (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 4 June 2015, Thursday.

Closure of Register for Final Dividend

The register of members of the Company will be closed from 16 June 2015, Tuesday to 18 June 2015, Thursday (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 15 June 2015, Monday.

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

As at 31 December 2014, the interests and short positions of the directors and their associates in the shares and underlying shares of the Company or its associate corporation (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")), as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the 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 GEM Listing Rules and Divisions 7 and 8 of Part XV of the SFO, 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. Pang Kuo-Shi *(Note)*	Interest of controlled corporation	279,616,000	43.69%
Mr. Wong Chun ("Mr. Wong")	Beneficial owner	116,544,000	18.26%
Mr. Hsia Chieh-Wen ("Mr. Hsia")	Beneficial owner	69,888,000	10.92%
Mr. Wong Kwong Chi	Interest of spouse	6,380,000	0.99%

Note: *Mr. Pang Kuo-Shi is deemed to be interested in 279,616,000 shares held by Modern Wealth Assets Limited, a company wholly owned by Mr. Pang Kuo-Shi.*

Other than as disclosed above, none of the directors, chief executive, nor their associates had any interests or short positions in any shares or underlying shares of the Company or any of its associated corporations at 31 December 2014.

SHARE OPTION SCHEME

During the year ended 31 December 2014, no share options were granted or exercised. As at 31 December 2014, no share options were outstanding.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Other than as disclosed above, at no time during the year 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.

SUFFICIENCY OF PUBLIC FLOAT

The Company has maintained a sufficient public float throughout the year ended 31 December 2014.

APPOINTMENT 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 and Short Positions in Shares and Underlying Shares" above, no person in the register of substantial shareholders maintained by the Company pursuant to section 336 of the SFO was disclosed as having a notifiable interest or short position in the issued share capital of the Company as at 31 December 2014.

CONNECTED TRANSACTIONS AND DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Other than as disclosed in note 14 to the consolidated financial statements, 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 of the Company 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 2014.

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 Group's operating results, individual performance and comparable market statistics.

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.

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 2014.

DONATIONS

During the year, the Group made charitable and other donations amounting to approximately HK$10,000.

CORPORATE GOVERNANCE

The Company complied throughout the year ended 31 December 2014 with the code provisions in the Corporate Governance Code contained in Appendix 15 to the GEM Listing Rules, save as the following:–

(i) 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 Dr. Lui Ming Wah and Mr. Lau Ho Kit, Ivan, both being non-executive Directors of the Company, were not appointed for a 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 the non-executive Directors have already given the Company's shareholders the right to approve the continuation of non-executive Directors' offices.

(ii) Code provision A.5.6 provides that the nomination committee (or the Board) should have a policy concerning diversity of Board members, and should disclose the policy or a summary of the policy in the corporate governance report. The nomination committee will adopt such a policy and set measurable objectives in the coming financial year with an aim to evaluate the optimal composition of the Board.

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 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 four 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.

AUDITOR

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

On behalf of the Board
Pang Kuo Shi
CHAIRMAN

Hong Kong, 25 March 2015

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.