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

(Incorporated in Cayman Islands and continued in Bermuda with limited liability)

Stock Code: 8159

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2015

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 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 (the "**Board**") of directors of the Company (the "**Directors**") is pleased to announce the audited consolidated results of the Group for the year ended 31 December 2015, together with the comparative figures for the corresponding period of 2014, as follows:

CONSOLIDATED PROFIT OR LOSS AND OTHER STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2015

	NOTES	**2015**	2014
		HK$'000	*HK$'000*
Revenue	*4*	**296,497**	301,914
Cost of sales		**(270,306)**	(266,795)
Gross profit		**26,191**	35,119
Other income		**2,648**	3,303
Other gains and losses		**(8,267)**	(945)
Change in fair value of investment properties		**(490)**	1,000
Selling and distribution expenses		**(10,587)**	(10,335)
Administrative expenses		**(24,834)**	(25,334)
Gain on disposal of available-for-sale investment		**–**	228
(Loss) profit before taxation		**(15,339)**	3,036
Income tax expense	*6*	**(2,124)**	(1,808)
(Loss) profit for the year	*7*	**(17,463)**	1,228
Other comprehensive expense			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising from translation of foreign operations		**(2,233)**	(1,449)
Total comprehensive expense for the year		**(19,696)**	(221)
(Loss) profit for the year attributable to:			
Owners of the Company		**(17,688)**	1,395
Non-controlling interests		**225**	(167)
		(17,463)	1,228
Total comprehensive (expense) income attributable to:			
Owners of the Company		**(19,921)**	(54)
Non-controlling interests		**225**	(167)
		(19,696)	(221)
(Loss) earnings per share	*8*		
Basic		**(HK2.76 cents)**	HK0.22 cent

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2015

	NOTES	**2015** **HK$'000**	2014 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**60,501**	61,241
Prepaid lease payments		**8,450**	9,176
Investment properties		**11,210**	11,700
Available-for-sale investments	*10*	**–**	8,279
Club debenture	*11*	**560**	560
Deposits for land use rights		**626**	662
Deposits paid for acquisition of property, plant and equipment		**–**	2,068
Other receivable		**–**	818
		81,347	94,504
CURRENT ASSETS			
Inventories	*12*	**18,040**	24,587
Trade and other receivables	*13*	**72,689**	79,590
Prepaid lease payments		**228**	243
Bank balances and cash	*14*	**91,749**	89,574
		182,706	193,994
CURRENT LIABILITIES			
Trade and other payables	*15*	**79,818**	83,127
Amounts due to directors	*16*	**1,330**	1,330
Taxation payable		**29,528**	29,048
		110,676	113,505
NET CURRENT ASSETS		**72,030**	80,489
NET ASSETS		**153,377**	174,993
CAPITAL AND RESERVES			
Share capital		**64,000**	64,000
Reserves		**88,201**	110,042
Equity attributable to owners of the Company		**152,201**	174,042
Non-controlling interests		**1,176**	951
TOTAL EQUITY		**153,377**	174,993

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2015

	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* *(note)*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1 January 2014	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**
(Loss) profit for the year	**–**	**–**	**–**	**(17,688)**	**(17,688)**	**225**	**(17,463)**
Other comprehensive expense	**–**	**–**	**(2,233)**	**–**	**(2,233)**	**–**	**(2,233)**
Total comprehensive (expense) income for the year	**–**	**–**	**(2,233)**	**(17,688)**	**(19,921)**	**225**	**(19,696)**
Dividends recognised as distribution *(note 9)*	**–**	**–**	**–**	**(1,920)**	**(1,920)**	**–**	**(1,920)**
At 31 December 2015	**64,000**	**680**	**9,885**	**77,636**	**152,201**	**1,176**	**153,377**

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 and continued in Bermuda with limited liability. The Company is listed on the GEM 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 2015.

The Company acts as an investment holding company.

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 of the Company 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 amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time in the current year:

Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions
Amendments to HKFRSs	Annual Improvements to HKFRSs 2010 – 2012 Cycle
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011 – 2013 Cycle

The application of the amendments to 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 15	Revenue from Contracts with Customers[1]
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations[2]
Amendments to HKAS 1	Disclosure Initiative[2]
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[2]
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants[2]
Amendments to HKAS 27	Equity Method in Separate Financial Statements[2]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception[2]

1 Effective for annual periods beginning on or after 1 January 2018
2 Effective for annual periods beginning on or after 1 January 2016
3 Effective for annual periods beginning on or after a date to be determined

The directors do not anticipate that the application of the other new and revised standards, amendments and interpretation issued but not effective will have a material impact on the amounts recognised in the Group's consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

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.

The disclosure requirements set out in the GEM Listing Rules regarding annual accounts have been amended with reference to the provisions of the new Hong Kong Companies Ordinance (Cap 622) regarding preparation of accounts and directors' reports and to streamline with HKFRSs. Accordingly the presentation and disclosure of information in the consolidated financial statements for the financial year ended 31 December 2015 have been changed to comply with the new requirements. Comparative information in respect of financial year ended 31 December 2014 are presented or disclosed in the consolidated financial statements based on the new requirements. Information previously required to be disclosed under the predecessor Hong Kong Companies Ordinance or GEM Listing Rules but not under the new Hong Kong Companies Ordinance or amended GEM Listing Rules are not disclosed in these consolidated financial statements.

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.

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

4. REVENUE

	2015	2014
	HK$'000	*HK$'000*
Sales of connectivity products mainly for computers and peripheral products	**296,497**	301,914

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:

	2015			2014		
	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	**224,231**	**72,266**	**296,497**	240,680	61,234	301,914
SEGMENT PROFIT	**21,991**	**4,200**	**26,191**	31,322	3,797	35,119
Unallocated expenses			**(35,421)**			(35,669)
Other income			**2,648**			3,303
Other gains and losses			**(8,267)**			(945)
Gain on disposal of available-for-sale investment			**–**			228
Change in fair value of investment properties			**(490)**			1,000
(Loss) profit before taxation			**(15,339)**			3,036

	2015			2014		
	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)*	**53,192**	**12,212**	**65,404**	58,096	13,846	71,942
Property, plant and equipment, prepaid lease payments and inventories *(Note)*			**87,219**			95,247
			152,623			167,189
Other unallocated assets			**111,430**			121,309
Total assets			**264,053**			288,498

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 Mainland. 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 Mainland 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	
	2015	2014
	HK$'000	*HK$'000*
Korea	**107,467**	108,565
ROC	**94,495**	96,506
Japan	**64,407**	72,776
United States of America	**17,156**	17,879
Others	**12,972**	6,188
	296,497	301,914

	Non-current assets (excluding available-for-sale investments, club debenture and other receivable)	
	2015	2014
	HK$'000	*HK$'000*
The Mainland	**68,450**	71,609
Hong Kong	**11,251**	11,878
Others	**1,086**	1,360
	80,787	84,847

Information about major customers

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

	2015	2014
	HK$'000	*HK$'000*
Customer A[1]	**78,518**	64,033
Customer B[1]	**74,933**	94,517
Customer C[2]	**53,052**	49,833

1 Revenue from OEM customers
2 Revenue from Retail distributors

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 Mainland. The applicable enterprise income tax rate of the Mainland is 25% in accordance with the relevant income tax law and regulations in the Mainland for both years.

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

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

	2015	2014
	HK$'000	*HK$'000*
(Loss) profit before taxation	**(15,339)**	3,036
Tax at the domestic income tax rate of 25% (2014: 25%)	**(3,835)**	759
Tax effect of income not taxable for tax purpose	**(1,438)**	(3,695)
Tax effect of expenses not deductible for tax purpose	**7,074**	4,061
Tax effect of unrecognised tax losses	**–**	596
Utilisation of tax losses	**(13)**	(9)
Effect of different tax rates of subsidiaries operating in other jurisdictions	**336**	96
Taxation charge for the year	**2,124**	1,808

At 31 December 2015, the Group has unused tax losses of HK$23,379,000 (2014: HK$23,432,000) 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 the Mainland subsidiaries may be brought forward for 5 years. Unused tax losses related to the Mainland subsidiaries amounted to HK$4,379,000 (2014: HK$3,819,000) and will expire between 2016 and 2020 (2014: between 2015 and 2019).

7. (LOSS) PROFIT FOR THE YEAR

	2015	2014
	HK$'000	*HK$'000*
(Loss) profit for the year has been arrived at after charging and (crediting):		
Directors' remuneration	**5,286**	5,554
Other staff costs		
Salaries and other benefits	**78,495**	79,333
Retirement benefit scheme contributions (excluding directors)	**6,152**	4,962
Total staff costs	**89,933**	89,849
Auditor's remuneration	**850**	840
Depreciation	**7,197**	6,892
Amortisation of prepaid lease payments	**238**	243
Cost of inventories recognised as expenses	**270,306**	266,795
Impairment loss on available-for-sale investments (included in other gains and losses)	**8,279**	598
Gain on disposal of property, plant and equipment (included in other gains and losses)	**(12)**	(167)
Net foreign exchange loss	**634**	512
Interest income on bank deposits (included in other income)	**(134)**	(694)
Rental income (included in other income)	**(1,218)**	(1,268)

8. (LOSS) EARNINGS PER SHARE

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

	2015	2014
	HK$'000	*HK$'000*
(Loss) profit for the year attributable to the owners of the Company	**(17,688)**	1,395
	'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

	2015	2014
	HK$'000	*HK$'000*
Dividends recognised as distribution during the year:		
2014 Final – HK0.30 cent (2014: 2013 final dividend of HK0.30 cent) per share	**1,920**	1,920

The final dividend of HK1.00 cent per share in respect of the year ended 31 December 2015 (2014: final dividend of HK0.30 cent per share for the year ended 31 December 2014) has been proposed by the Directors and is subject to approval by the shareholders in the forthcoming annual general meeting

10. AVAILABLE-FOR-SALE INVESTMENTS

	2015	2014
	HK$'000	*HK$'000*
Unlisted equity securities, at cost	**10,987**	10,987
Less: Impairment loss on unlisted equity securities	**(10,987)**	(2,708)
	–	8,279

Name of available-for-sale investments	Place of incorporation/ registration operation	Proportion of ownership interests and voting rights held by the Group **2015**	2014	Principal activity
Grandmark Industrial Limited ("GIL") *(Note 1)*	Hong Kong	**5.65%**	5.65%	Investment holding of a company in which a wholly-owned subsidiary engages in the research, development and manufacturing of automotive parts and sub-systems in the Mainland.
Hong Kong Automobile Corporation Limited ("HKACL") *(Note 2)*	Hong Kong	**8.64%**	8.64%	Investment holding of a company in which a subsidiary engages in the research, development and manufacturing of automotive parts in the Mainland.
Universal Aviation Industrial Limited ("UAIL") *(Note 3)*	Hong Kong	**N/A**	N/A	Investment holding of a company which engages in research, development and manufacturing of aircraft carbin seat in the Mainland.

The above unlisted investments represent investments in unlisted equity securities issued by private entities incorporated in Hong Kong. They are measured at cost less impairment at the end of the reporting period because the range of reasonable fair value estimates is so significant that the directors of the Company are of the opinion that their fair values cannot be measured reliably.

During the current year, the Group recognised an impairment loss of HK$8,279,000 (2014: HK$598,000) as the directors of the Company, after a thorough evaluation by taken into account the (i) sustained substantial losses and (ii) unexpected low revenue of the investments, concluded that the carrying amount of the investments exceeded the present value of estimated future cash flow expected to be derived from the investments.

Note 1: As the investment in GIL represents less than 20% of attributable equity interest held by the Group and that the Group has no controlling power or significant influence over the management and the operation of GIL. During the current year, an impairment loss of HK$2,664,000 (2014: HK$156,000) was recognised to the profit and loss.

Note 2: As the investment in HKACL represents less than 20% of attributable equity interest held by the Group and that the Group has no controlling power or significant influence over the management and the operation of HKACL. The investment is classified as available-for-sale investment. During the current year, impairment loss of HK$5,615,000 (2014: HK$442,000) was recognised to the profit and loss.

Note 3: On 23 October 2014, the Group disposed of the entire interests in UAIL to an independent third party and recognised a gain on disposal of HK$228,000 in profit or loss for the year ended 31 December 2014.

11. CLUB DEBENTURE

The club debenture represents entrance fee paid to a golf club. The directors of the Company consider that no impairment is identified with reference to market price of the club debenture.

12. INVENTORIES

	2015	2014
	HK$'000	*HK$'000*
Raw materials and consumables	**7,397**	8,925
Work in progress	**4,409**	4,616
Finished goods	**6,234**	11,046
	18,040	24,587

During the current year, there are provision of allowance of HK$424,000 (2014: a reversal of allowance of HK$544,000) has been recognised and included in cost of sales.

13. TRADE AND OTHER RECEIVABLES

	2015	2014
	HK$'000	*HK$'000*
Trade receivables	**65,404**	71,942
Other receivables, prepayment to suppliers and deposits	**7,285**	7,648
Total trade and other receivables	**72,689**	79,590

Other receivable as at 31 December 2015 of HK$818,000 (2014: classified as non-current asset of HK$818,000) represents advances made to GIL (note 10) to procure potential investment projects which are refundable. The amount was subsequently refunded in March 2016 and, hence, classified as current asset as at 31 December 2015.

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:

	2015	2014
	HK$'000	*HK$'000*
0-30 days	**27,842**	29,273
31-120 days	**35,177**	42,653
121-180 days	**539**	16
Over 180 days	**1,846**	–
	65,404	71,942

Included in the Group's trade receivable balance are debtors with aggregate carrying amount of HK$1,982,000 (2014: HK$93,000) 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 283 days (2014: 87 days).

Ageing of trade receivables which are past due but not impaired

	2015	2014
	HK$'000	*HK$'000*
31-120 days	**–**	93
121-180 days	**136**	–
Over 180 days	**1,846**	–
	1,982	93

Movement in the allowance for doubtful debts

	2015	2014
	HK$'000	*HK$'000*
1 January	**–**	570
Amount written off as uncollectible	**–**	(570)
31 December	**–**	–

14. BANK BALANCES AND CASH

Bank balances comprise short-term bank deposits with the original maturity of three months or less of HK$19,650,000 (2014: HK$50,134,000) at fixed interest rates ranging from 0.01% to 5.00% (2014: 0.01% to 5.00%) per annum and bank balances of HK$69,222,000 (2014: HK$36,803,000) at variable interest rates with effective interest rates ranging from 0.001% to 0.385% (2014: 0.001% to 0.385%) per annum and cash balances of HK$2,877,000 (2014: HK$2,637,000).

15. 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:

	2015	2014
	HK$'000	*HK$'000*
Trade payables		
Within 30 days	**13,885**	12,578
31 – 90 days	**24,007**	26,433
91 – 150 days	**8,922**	8,599
Over 150 days	**3,043**	3,175
	49,857	50,785
Other payables		
Receipt-in-advance	**5,804**	4,685
Staff salaries and welfare payable	**14,171**	15,632
Deposits received from customers	**809**	2,094
Value added tax payable and other tax payable	**2,024**	1,787
Accrued operating expenses	**4,201**	4,547
Others	**2,952**	3,597
	29,961	32,342
	79,818	83,127

16. 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.

17. RELATED AND CONNECTED PARTY TRANSACTIONS

In addition to the related party balances disclosed in note 16, during the year, the Group entered into the following transactions with related and connected parties:

Name	Nature of transactions	**2015**	2014
		HK$'000	*HK$'000*
Glory Mark Electronic Limited (incorporated in Taiwan) ("GM (Taiwan)" *(Note 1)*	Rental paid by the Group	**146**	156
Billion Mass Limited ("Billion Mass" *(Note 1)*	Rental paid by the Group	**1,032**	1,032
San Chen Company ("San Chen") *(Note 2)*	Rental paid by the Group	**146**	156
Ms. Yu Lan	Rental paid by the Group	**117**	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

BUSINESS REVIEW

The Group is engaged in design, manufacture and sale of connectivity products mainly for computers, computer peripheral products, multi-media consumable electronic products, communication products, automobile electronics accessories, wire harness and medical equipments. The Group is one of the leading VGA cables manufacturers in the world.

In these years, the Group has been continuously suffered from two main adverse factors. One is economic factor. The economies of nearly all the major market countries of the Group are weak in these years, which whittle away the consumers' purchasing power. The Group's turnover and bargaining power in pricing policy are being affected. Another adverse factor is the labour costs in the Mainland. Pursuant to the labour policy of the Mainland Government in these years, the minimum wage rate and the costs of labour welfare uptick significantly each year. Although the Group has been trying a series of measures to improve its profitability, the cumulative effects of these two adverse factors still erode the profit of the Group seriously. The Directors believe that these two principal risks will continue to affect the performance of the Group in coming quarters.

The Group recorded a loss attributable to owners of the Company of HK$17.5 million for the year ended 31 December 2015, which included an impairment of two available-for-sale investments in the amount of HK$8.3 million (2014: profit of HK$1.2 million; Gain on disposal of available-for-sale investment: HK$0.2 million).

In 2016, the Group has successfully developed the following higher value-added new products:–

- HDMI 2.0 high resolution cables for 4k or 2k UHD televisions;
- USB 3.1 (SuperSpeed USB 10 Gbps) cables

New orders of these products were received from customers.

The Directors anticipated that the uncertainties in economies of the Group's target market and the increased wages in the Mainland might continue to affect the performance of the Group for the year ending 2016.

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

FINANCIAL REVIEW

Revenue and gross profit

For the year ended 31 December 2015, the Group recorded a consolidated turnover of approximately HK$296.5 million (2014: approximately HK$301.9 million), representing a slightly decrease of approximately 1.79% as compared to the corresponding previous year.

Revenue to OEM customers recorded approximately HK$224.2 million, representing a slight decrease of 6.86%. Revenue to retail distributors recorded approximately HK$72.3 million, representing an increase of 18.02%.

In terms of geographical segments analysis, the turnover to Korea, ROC, Japan and United States of America decreased by approximately 1.01%, 2.07%, 11.54%, and 4.04% respectively. Revenue to the other regions increased by approximately 109.68% respectively.

Gross profit margin was 8.83% in 2015 as compared to 11.63% in 2014. The decrease in gross profit margin was mainly due to the increase in labours costs in the Mainland during 2015.

Other income

Other income was approximately HK$2.6 million, as compared to the amount of HK$3.3 million as recorded in 2014.

Selling and distribution expenses

Selling and distribution expenses were approximately HK$10.6 million, as compared to the amount of HK$10.3 million as recorded in 2014. The slightly increase in the selling and distribution expenses was mainly attributable to the increase in freight charges and sample expenses.

Administrative expenses

Administrative expenses slightly decreased by 2.0% to approximately HK$24.8 million in 2015, compared to approximately HK$25.3 million in 2014, which was a result of effective cost control exercised by the Group.

Financial cost

The Group did not incur any financial cost in both 2015 and 2014.

Income tax expenses

The Group recorded an income tax expense of approximately HK$2,124,000 in 2015, compared to HK$1,808,000 in 2014.

Loss for the year attributable to owners of the Company

Loss for the year attributable to owners of the Company was approximately HK$17.7 million in 2015, compared to a profit of approximately HK$1.4 million in 2014.

YEAR IN REVIEW

Liquidity and Financial Resources

As at 31 December 2015, the Group's net current assets, cash and bank balances and shareholders' funds amounted to approximately HK$72.0 million (2014: HK$80.5 million), HK$91.7 million (2014: HK$89.6 million) and HK$152.2 million (2014: HK$174.0 million) respectively. The current ratio, expressed as current assets over current liabilities, was maintained at the satisfactory level of 1.65 (2014: 1.71). 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 2015.

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 2015, the Group had 1,091 (2014: 1,347) employees. Employee remuneration, excluding directors' emoluments, for the year ended 31 December 2015 was approximately HK$76.3 million (2014: HK77.4 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%, 51.7%, 23.8% and 22.2% respectively for the year ended 31 December 2015. (2014: 2.3%, 45.4%, 29.6% and 22.7% respectively).

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

Final Dividend

The Directors proposed a final dividend of HK1.00 cent (2014: 0.30 cent) per share, which is subject to the approval by the shareholders in annual general meeting for the year ended 31 December 2015. The final dividend will be payable on 31 May 2016, Tuesday to the shareholders whose names appear on the register of members of the Company on 18 May 2016, Wednesday.

SHARE OPTIONS

During the year ended 31 December 2015, no share options were granted or exercised. As at 31 December 2015, 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 2015 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.

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.

CONNECTED TRANSACTIONS AND DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Other than as disclosed in note 17 to the announcement, 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 2015.

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 articles of association of the Company and following the Change of Domicile (as defined below), the bye-laws of the Company or the laws in the Cayman Islands or in Bermuda, 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 2015.

DONATIONS

During the year ended 31 December 2015, the Group made charitable and other donations amounted to HK$16,000.

CORPORATE GOVERNANCE

The Company complied throughout the year ended 31 December 2015 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 reelection. 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.

POSSIBLE TRANSACTION PURSUANT TO RULE 3.7 OF THE TAKEOVERS CODE

The Company was informed by the controlling shareholder of the Company, namely Modern Wealth Assets Limited ("**Modern Wealth**") (a company which was interested in approximately 43.69% of the existing issued share capital of the Company and beneficially owned as to 100% by Messrs. Pang Kuo-Shi, the Chairman of the Board and an executive director of the Company, as at the date of this announcement) that on 12 October 2015 (after trading hours) Modern Wealth together with two substantial shareholders of the Company, namely Mr. Wong Chun ("**Mr. Wong**"), an executive director of the Company who was interested in approximately 18.26% of the existing issued share capital of the Company as at the date of this announcement and Mr. Hsia Chieh-Wen ("**Mr. Hsia**"), an executive director of the Company who was interested in approximately 10.92% of the existing issued share capital of the Company as at the date of this announcement, as vendors (Modern Wealth, Mr. Wong and Mr. Hsia collectively referred to as "**Potential Vendors**") entered into a letter of intent (the "**LOI**") with an independent third party as purchaser (the "**Potential Purchaser**") of a possible transaction, which, if materialised, may lead to a change in control of the Company and a mandatory general offer under the Takeovers Code for all the issued Shares (other than those already owned by or agreed to be acquired by the Potential Purchaser and parties acting in concert with it) (the "**Possible Transaction**").

As at the date of this announcement, the negotiation in respect of the Possible Transaction is still in progress and the parties are still discussing the terms of a formal sale and purchase agreement. Save for the LOI (with certain legally binding provisions) and the supplemental thereto (legally binding), no formal or legally binding agreement for the Possible Transaction has been entered into between the Potential Vendors and the Potential Purchaser. As such, the Possible Transaction may or may not proceed. For details, please refer to the announcements of the Company dated 14 October 2015, 13 November 2015, 11 December 2015, 11 January 2016, 11 February and 11 March 2016.

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.

AUDITOR

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

IMPORTANT EVENT AFTER THE REPORTING PERIOD

On 19 February 2016, the Company announced that the Company was deregistered in the Cayman Islands and duly continued in Bermuda under the laws of Bermuda (the "**Change of Domicile**") and the Change of Domicile became effective on 18 February 2016 (Bermuda time). In connection with the Change of Domicile, the memorandum of continuance and Bye-laws have been adopted by the Company with effect from 18 February 2016 (Bermuda time).

On 10 March 2016, the Company completed a capital reorganisation that the par value of each issued shares of the Company of HK$0.10 each in the share capital of the Company was reduced from HK$0.10 to HK$0.01 by cancelling the capital paid-up thereon to the extent of HK$0.09 and credit the same to contributed surplus account on each of the issued shares; and the authorised but unissued shares of HK$0.10 each was sub-divided into ten new shares of HK$0.01 each.

CLOSURE OF REGISTER FOR ANNUAL GENERAL MEETING ("AGM")

The register of members of the Company will be closed from 5 May 2016, Tuesday to 9 May 2016, Monday (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 May 2016, Wednesday.

CLOSURE OF REGISTER FOR FINAL DIVIDEND

The register of members of the Company will be closed from 16 May 2016, Monday to 18 May 2016, Wednesday (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 13 May 2016, Friday.

On behalf of the Board
Pang Kuo Shi
CHAIRMAN

Hong Kong, 24 March 2016

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, Ph. D, 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 the date of publication and on the Company's website at www.glorymark.com.tw/hk/investor.htm.