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

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

Stock Code: 8159

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2016

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.

Hong Kong Exchanges and Clearing Limited and the Exchange take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

*This announcement, for which the directors (the "**Directors**") of Glory Mark Hi-Tech (Holdings) Limited (the "**Company**") together with its subsidiaries (the "**Group**") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Exchange ("**GEM Listing Rules**") for the purpose of giving information with regard to the Company. The directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief 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 2016 (the "**Year**"), together with the comparative figures for the corresponding year of 2015, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2016

	NOTES	**2016**	2015
		HK$'000	*HK$'000*
Revenue	*4*	**324,670**	296,497
Cost of sales		**(278,231)**	(270,306)
Gross profit		**46,439**	26,191
Other income		**3,901**	2,648
Other gains and losses		**12**	(8,267)
Change in fair value of investment properties		**280**	(490)
Selling and distribution expenses		**(11,334)**	(10,587)
Administrative expenses		**(34,203)**	(24,834)
Profit (loss) before taxation		**5,095**	(15,339)
Income tax expense	*6*	**(2,615)**	(2,124)
Profit (loss) for the year	*7*	**2,480**	(17,463)
Other comprehensive expense			
Item that may be reclassified subsequently to profit or loss			
Exchange differences arising from translation of foreign operations		**(691)**	(2,233)
Total comprehensive income (expense) for the year		**1,789**	(19,696)
Profit (loss) for the year attributable to:			
Owners of the Company		**2,953**	(17,688)
Non-controlling interests		**(473)**	225
		2,480	(17,463)
Total comprehensive income (expense) attributable to:			
Owners of the Company		**2,262**	(19,921)
Non-controlling interests		**(473)**	225
		1,789	(19,696)
Earnings (loss) per share	*8*		
Basic		**HK0.46 cents**	(HK2.76 cents)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2016

	NOTES	**2016**	2015
		HK$'000	*HK$'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**54,665**	60,501
Prepaid lease payments		**7,749**	8,450
Investment properties		**11,490**	11,210
Club debenture	*10*	**1,160**	560
Deposits for land use rights		**590**	626
		75,654	81,347
CURRENT ASSETS			
Inventories	*11*	**27,364**	18,040
Trade and other receivables	*12*	**81,472**	72,689
Prepaid lease payments		**215**	228
Bank balances and cash	*13*	**43,031**	91,749
		152,082	182,706
CURRENT LIABILITIES			
Trade and other payables	*14*	**106,820**	79,818
Amounts due to directors	*15*	**1,463**	1,330
Taxation payable		**30,207**	29,528
		138,490	110,676
NET CURRENT ASSETS		**13,592**	72,030
NET ASSETS		**89,246**	153,377
CAPITAL AND RESERVES			
Share capital	*16*	**6,400**	64,000
Reserves		**82,143**	88,201
Equity attributable to owners of the Company		**88,543**	152,201
Non-controlling interests		**703**	1,176
TOTAL EQUITY		**89,246**	153,377

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2016

	Equity attributable to owners of the company							
	Share capital	**Merger reserve**	**Translation reserve**	**Contributed surplus**	**Retained profits**	**Sub-total**	**Non-Controlling interest**	**Total**
	HK$'000	*HK$'000 (Note)*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1 January 2015	64,000	680	12,118	–	97,244	174,042	951	174,993
Profit (loss) 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 *(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**
Profit (loss) for the year	**–**	**–**	**–**	**–**	**2,953**	**2,953**	**(473)**	**2,480**
Other comprehensive expense	**–**	**–**	**(691)**	**–**	**–**	**(691)**	**–**	**(691)**
Total comprehensive (expense) income for the year	**–**	**–**	**(691)**	**–**	**2,953**	**2,262**	**(473)**	**1,789**
Capital reorganisation *(Note 16)*	**(57,600)**	**–**	**–**	**57,600**				
Dividends *(Note 9)*	**–**	**–**	**–**	**(57,600)**	**(8,320)**	**(65,920)**	**–**	**(65,920)**
At 31 December 2016	**6,400**	**680**	**9,194**	**–**	**72,269**	**88,543**	**703**	**89,246**

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 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 2016.

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 AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSS")

Amendments to HKFRSs that are mandatorily effective for the current year

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 1	Disclosure Initiative
Amendments to HKFRS 11	Accounting for Acquisitions of Interest in Joint Operations
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012 - 2014 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 disclosures set out in these consolidated financial statements.

New and amendments to HKFRSs in issue but not yet effective

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

HKFRS 9	Financial Instruments[1]
HKFRS 15	Revenue from Contracts with Customers and related Amendments[1]
HKFRS 16	Leases[2]
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions[1]
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts[1]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to HKAS 7	Disclosure Inititative[4]
Amendments to HKAS 12	Recognition of Deferred Tax Assets of Unrealised Losses[4]
Amendments to HKFRS 15	Clarifications to HKFRS 15 Revenue from Contracts with Customer[1]

1 Effective for annual periods beginning on or after 1 January 2018.
2 Effective for annual periods beginning on or after 1 January 2019.
3 Effective for annual periods beginning on or after a date to be determined.
4 Effective for annual periods beginning on or after 1 January 2017.

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 ("CO").

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 year.

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

4. REVENUE

	2016	2015
	HK$'000	*HK$'000*
Sales of connectivity products mainly for computers and peripheral products	**324,670**	296,497

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:

	2016			2015		
	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	**246,072**	**78,598**	**324,670**	224,231	72,266	296,497
SEGMENT PROFIT	**38,640**	**7,799**	**46,439**	21,991	4,200	26,191
Unallocated expenses			**(45,537)**			(35,421)
Other income			**3,901**			2,648
Other gains and losses			**12**			(8,267)
Change in fair value of investment properties			**280**			(490)
Profit (loss) before taxation			**5,095**			(15,339)

	2016			2015		
	OEM customers	**Retail distributors**	**Total**	OEM customers	Retail distributors	Total
	HK$'000	***HK$'000***	***HK$'000***	*HK$'000*	*HK$'000*	*HK$'000*
ASSETS AND SEGMENT ASSETS						
Trade receivables *(Note)*	**59,889**	**15,244**	**75,133**	53,192	12,212	65,404
Property, plant and equipment, prepaid lease payments and inventories *(Note)*			**89,993**			87,219
Total segment assets			**165,126**			152,623
Other unallocated assets			**62,610**			111,430
Total assets			**227,736**			264,053

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, the PRC and Taiwan.

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	
	2016	2015
	HK$'000	*HK$'000*
Korea	**157,827**	107,467
Taiwan	**64,587**	94,495
Japan	**63,978**	64,407
United States of America	**24,272**	17,156
Others	**14,006**	12,972
	324,670	296,497

	Non-current assets (excluding club debenture)	
	2016	2015
	HK$'000	*HK$'000*
PRC	**62,022**	68,450
Hong Kong	**11,568**	11,251
Others	**904**	1,086
	74,494	80,787

Information about major customers

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

	2016	2015
	HK$'000	*HK$'000*
Customer A[1]	**131,777**	74,933
Customer B[1]	**44,312**	78,518
Customer C[2]	**54,202**	53,827

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 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 (loss) before taxation per the consolidated statement of profit or loss and other comprehensive income as follows:

	2016	2015
	HK$'000	*HK$'000*
Profit (loss) before taxation	**5,095**	(15,339)
Tax at the domestic income tax rate of 25%	**1,274**	(3,835)
Tax effect of income not taxable for tax purpose	**(1,326)**	(1,438)
Tax effect of expenses not deductible for tax purpose	**3,497**	7,074
Utilisation of tax losses	**(852)**	(13)
Effect of different tax rates of subsidiaries operating in other jurisdictions	**22**	336
Taxation charge for the year	**2,615**	2,124

At 31 December 2016, the Group has unused tax losses of HK$19,971,000 (2015: HK$23,379,000) available for offset against future profits. 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$971,000 (2015: HK$4,379,000) and will expire between 2017 and 2021 (2015: between 2016 and 2020).

7. PROFIT (LOSS) FOR THE YEAR

	2016	2015
	HK$'000	*HK$'000*
Profit (loss) for the year has been arrived at after charging and (crediting):		
Directors' remuneration	**5,855**	5,286
Other staff costs		
Salaries and other benefits	**77,376**	78,495
Retirement benefit scheme contributions (excluding directors)	**7,366**	6,152
Total staff costs	**90,597**	89,933
Auditor's remuneration	**854**	850
Depreciation	**6,608**	7,197
Amortisation of prepaid lease payments	**225**	238
Cost of inventories recognised as expenses	**278,231**	270,306
Impairment loss on available-for-sale investments (included in other gains and losses)	**–**	8,279
Gain on disposal of property, plant and equipment (included in other gains and losses)	**(12)**	(12)
Net foreign exchange (gain) loss	**(517)**	634
Interest income on bank deposits (included in other income)	**(158)**	(134)
Rental income (included in other income)	**(1,285)**	(1,218)

8. EARNINGS (LOSS) PER SHARE

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

	2016	2015
	HK$'000	*HK$'000*
Profit (loss) for the year attributable to the owners of the Company	**2,953**	(17,688)
	'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

	2016	2015
	HK$'000	*HK$'000*
Dividends recognised as distribution during the year:		
2016 Special – HK9.3 cents per share (2015: Nil)	**59,520**	–
2015 Final – HK1 cent (2015: 2014 final dividend of HK0.30 cents) per share	**6,400**	1,920
	65,920	1,920

Subsequent to the end of the reporting year, a final dividend in respect of the year ended 31 December 2016 of HK0.30 cents (2015: final dividend in respect of the year ended 31 December 2015 of HK1.00 cent) per ordinary share, in an aggregate amount of HK$1,920,000 (2015: HK$6,400,000) has been proposed by the Directors and is subject to approval by the shareholders in the forthcoming annual general meeting.

10. 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.

11. INVENTORIES

	2016	2015
	HK$'000	*HK$'000*
Raw materials and consumables	**7,140**	7,397
Work in progress	**8,194**	4,409
Finished goods	**12,030**	6,234
	27,364	18,040

During the current year, there are provision of allowance of HK$682,000 (2015: HK$424,000) has been recognised and included in cost of sales.

12. TRADE AND OTHER RECEIVABLES

	2016	2015
	HK$'000	*HK$'000*
Trade receivables	**75,133**	65,404
Other receivables, prepayment to suppliers and deposits	**6,339**	7,285
Total trade and other receivables	**81,472**	72,689

The Group allows an average credit year 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 year which approximated the respective revenue recognition dates:

	2016	2015
	HK$'000	*HK$'000*
0-30 days	**29,868**	27,842
31-120 days	**44,924**	35,177
121-180 days	**295**	539
Over 180 days	**46**	1,846
	75,133	65,404

Included in the Group's trade receivable balance are debtors with aggregate carrying amount of HK$46,000 (2015: HK$1,982,000) which have been past due at the end of the reporting year 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 273 days (2015: 283 days).

Ageing of trade receivables which are past due but not impaired

	2016	2015
	HK$'000	*HK$'000*
121-180 days	**–**	136
Over 180 days	**46**	1,846
	46	1,982

13. BANK BALANCES AND CASH

Bank balances comprise short-term bank deposits with the original maturity of three months or less of HK$1,220,000 (2015: HK$19,650,000) at fixed interest rates ranging from 0.01% to 5.00% (2015: 0.01% to 5.00%) per annum and bank balances of HK$40,240,000 (2015: HK$69,222,000) at variable interest rates with effective interest rates ranging from 0.001% to 0.385% (2015: 0.001% to 0.385%) per annum and cash balances of HK$1,571,000 (2015: HK$2,877,000).

14. TRADE AND OTHER PAYABLES

The Group has been granted an average credit year 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 year:

	2016	2015
	HK$'000	*HK$'000*
Trade payables		
Within 30 days	**21,135**	13,885
31 – 90 days	**32,134**	24,007
91 – 150 days	**9,827**	8,922
Over 150 days	**3,435**	3,043
	66,531	49,857
Other payables		
Receipt-in-advance	**6,163**	5,804
Staff salaries and welfare payable	**18,710**	14,171
Deposits received from customers	**2,080**	809
Value added tax payable and other tax payable	**1,921**	2,024
Accrued operating expenses	**6,603**	4,201
Others	**4,812**	2,952
	40,289	29,961
	106,820	79,818

15. AMOUNTS DUE TO DIRECTORS

The amounts are unsecured, interest free and repayable on demand.

16. SHARE CAPITAL

	Number of shares		Share capital	
	2016	2015	**2016**	2015
	'000	*'000*	***HK$'000***	*HK$'000*
Ordinary shares of HK$0.01 (2015: HK$0.1) each				
Authorised:				
At beginning of year	**1,000,000**	1,000,000	**100,000**	100,000
Capital reorganisation *(note)*	**9,000,000**	–	**–**	–
At end of year	**10,000,000**	1,000,000	**100,000**	100,000

	Number of shares		Share capital	
	2016	2015	**2016**	2015
	'000	*'000*	***HK$'000***	*HK$'000*
Issued and fully paid:				
At beginning of year	**640,000**	640,000	**64,000**	64,000
Capital reorganisation *(note)*	**–**	–	**(57,600)**	–
At end of year	**640,000**	640,000	**6,400**	64,000

Note: The capital reorganisation of the Company has become effective on 10 March 2016 which involves the followings:

(1) The issued share capital of the Company will be reduced through a cancellation of the paid-up capital of the Company to the extent of HK$0.09 on each of the then issued shares such that the nominal value of each issued share will be reduced from HK$0.10 to HK$0.01 (the "Capital Reduction");

(2) Immediately following the Capital Reduction, each of the authorised share of HK$0.10 will be sub-divided into ten shares of HK$0.01 each; and

(3) The credits arising in the books of the Company from the Capital Reduction will be credited to the contributed surplus account of the Company which will then be applied by the Company for the purposes of setting off, if any in future, its accumulated losses, the future distribution to the shareholders.

17. RELATED AND CONNECTED PARTY TRANSACTIONS

During the current year, the Group entered into the following transactions with related and connected parties:

Name	Nature of transactions	2016 *HK$'000*	2015 *HK$'000*
Glory Mark Electronic Limited (incorporated in Taiwan) ("GM (Taiwan)") *(Note 1)*	Rental paid by the Group	**143**	146
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	**143**	146
Ms. Yu Lan *(Note 2)*	Rental paid by the Group	**115**	117

Note 1: Mr. Pang Kuo-Shi, Mr. Wong Chun, directors and/or 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 equipment. The Group is one of the leading VGA cables manufacturers in the world.

Benefit from some higher value-added products launched by the Group, the depreciation of Renminbi and the stabilized manufacturing labour costs in China, the gross profit ratio of the Group during the Year increased by approximately 54.9% as compared with the last corresponding year.

The Group will continue to enhance the launching of higher value-added products to improve the profit margin. Having considered all the situations, the Directors hold a conservative but positive view as to the results of the Group in the year 2017.

FINANCIAL REVIEW

Revenue and profit

The Group recorded revenue of approximately HK$324,670,000 for the Year, representing an increase of approximately 9.5% as compared to the last corresponding year (the year ended 31 December 2015: approximately HK$296,497,000).

The profit attributable to Shareholders during the Year was approximately HK$2,953,000 as compared to a loss of approximately HK$17,688,000 in the last corresponding year.

The improvement of the profit attributable to Shareholders during the Year was mainly attributable to the following reasons:–

- No impairment loss on available-for-sale investments occurred in the Year (2015: HK$8,279,000);
- Depreciation of Renminbi during the Year;
- The government of the Guangdong Province had not increased the minimum wages during the Year, which stabilised the labour costs of the Group;
- The Group launched some higher value added products during the Year.

The revenue from retail distributors during the Year was approximately HK$78,598,000, representing an increase of approximately 8.8% as compared to the last corresponding year (the year ended 31 December 2015: approximately HK$72,266,000).

The revenue from OEM customers during the Year was approximately HK$246,072,000 representing an increase of approximately 9.7% as compared to the last corresponding year (the year ended 31 December 2015: approximately HK$224,231,000).

Revenue from Korea, USA and the other regions were increased by approximately 46.9%, 41.5% and 8.0% respectively. Revenue from Taiwan and Japan were decreased by approximately 31.7% and 0.7% respectively.

Gross Profit

The Group recorded a gross profit for the Year of approximately HK$46,439,000, increased by approximately HK$20,248,000 or 77.3% as compared to the last corresponding year. The stability of the PRC wages rate, the depreciation of Renminbi and the launch of higher-value products were the keys to improve the gross profit margin of the Group during the Year.

Other Income

The other income for the Year was approximately HK$3,901,000, increased by approximately HK$1,253,000 or 47.3% as compared to the last corresponding year. The increase was mainly attributable to the increase in exchange gains and claim received during the Year.

Selling and Distribution Expenses

The selling and distribution expenses for the Year were approximately HK$11,334,000, representing a mild increased by approximately 7.1% as compared to the last corresponding year, which was coped with the increase in turnover.

Administrative Expenses

The administrative expenses for the Year were approximately HK$34,203,000, increased by approximately HK$9,369,000 as compared to the last corresponding year, which was mainly due to the increase in legal and professional expenses incurred by the take-over issue and the staff salaries.

Income tax expenses

The Group incurred income tax expenses of approximately HK$2,615,000 during the Year (year ended 31 December 2015: approximately HK$2,124,000).

Liquidity and financial resources

As at 31 December 2016, the Group's net current assets, cash and bank balances and equity attributable to owners of the Company amounted to approximately HK$13.6 million, HK$43.0 million and HK$88.5 million (31 December 2015: approximately HK$72.0 million, HK$91.7 million and HK$152.2 million) respectively. The current ratio, expressed as current assets over current liabilities, was maintained at the level of 1.10 (31 December 2015: 1.65). The Group had no interest bearing debt as at 31 December 2016 (31 December 2015: nil).

The significant decrease in the Group's net current assets, cash and bank balances and the equity attributable to owners of the Company as at 31 December 2016 as compared to 31 December 2015 were mainly attributable to the distribution of a special dividend in the amount of HK$59,520,000 on 6 September 2016.

Corporate Development

On 8 September 2016, the Company announced that it was informed by the controlling shareholder of the Company, namely Modern Wealth Assets Limited ("**Modern Wealth**"), a company beneficially wholly-owned by an executive director of the Company and the then chairman of the Board, Mr. Pang Kuo-Shi, that Modern Wealth together with Mr. Wong Chun, an executive director of the Company and Mr. Hsia Chieh-Wen, a then executive director of the Company, sold an aggregate of 342,020,000 ordinary shares in the Company, representing 53.44% of the entire issued share capital of the Company, to PT Design Group Holdings Limited ("**PT Design**") for a cash consideration of HK$245,826,875 at HK$0.71875 per share (the "**Transaction**"). Immediately after the completion of the Transaction, PT Design held 342,020,000 shares, representing approximately 53.44% in the total number of shares in issue. As a result of the Transaction, PT Design and parties acting in concert with it were obliged to make an unconditional mandatory cash offer (the "**Offer**") under Rule 26 of The Codes on Takeovers and Mergers and Share Buy-backs for all the ordinary shares of the Company. Details of the Transaction and the Offer are disclosed in the composite document jointly issued by the Company and PT Design dated 15 September 2016. On 6 October 2016, the Company announced that immediately after the close of the Offer and taking into account the valid acceptances in respect of 31,915,500 ordinary shares of the Company, PT Design and parties acting in concert with it were interested in an aggregate of 373,935,500 shares, representing approximately 58.43% of the total number of ordinary shares of the Company in issue. Immediately following the close of the Offer, the Company could not satisfy the minimum public float requirement as set out under Rule 11.23(7) of the GEM Listing Rules. The Company had applied to the Exchange for a temporary waiver from strict compliance with the minimum public float requirement (the "**Waiver**") for two months commencing from 6 October 2016 and the Exchange had granted the Waiver to the Company for the period from 6 October 2016 to 5 December 2016. The Company was informed by PT Design that it had restored the minimum public float by selling down 18,315,500 shares through a placing agent. Since then, the interest of PT Design in the Company has been reduced from 58.43% to 55.57%.

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 2016.

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 2016, the Group had 1,065 (2015: 1,091) employees. Employee remuneration and other benefits, excluding directors' emoluments, for the Year was approximately HK$77.4 million (2015: HK78.5 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 3.2%, 46.3%, 15.4% and 35.1% respectively for the Year. (2015: 2.3%, 51.7%, 23.8% and 22.2% respectively).

SHARE OPTIONS

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

The total number of shares in respect of which options may be granted under the Scheme is not permitted to exceed 30% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. The number of shares in respect of which options may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. Options granted to substantial shareholders or independent non-executive directors or their associates in excess of 0.1% of the Company's share capital or with a value in excess of HK$5 million must be approved in advance by the Company's shareholders.

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

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

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.

RESIGNATION AND APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTORS

With effect from 29 November 2016, each of Dr. Lui Ming Wah, S.B.S., JP and Mr. Wong Kwong Chi had ceased to be an independent non-executive director of the Company due to other business commitments.

Mr. Liu Ping Chun was appointed an independent non-executive director of the Company on 15 September 2016 and each of Dr. Hon Lo Wai Kwok S.B.S, MH, JP and Dr. Zhu Wenhui was appointed an independent non-executive director of the Company on 29 November 2016.

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.

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.

DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS IN COMPETING BUSINESS

During the Year, none of the Directors, the controlling shareholders of the Company and their respective close associates (as defined in the GEM Listing Rules) had any business or interest in any company that competes or may compete with the business of the Group, nor any other conflict of interest which any such person has or may have with the Group.

CORPORATE GOVERNANCE

The Company complied throughout the Year 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 A.4.1 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 reelection 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

As the date of the announcement, the audit committee comprises four members, namely Mr. Lau Ho Kit, Ivan (Chairman), Liu Ping Chun, Ivan, Dr. Hon Lo Wai Kwok S.B.S, MH, JP and Dr. Zhu Wenhui, all are independent non-executive directors of the Company.

Movements of the Audit Committee Members

Apart from the resignation of Dr. Lui Ming Wah, S.B.S., JP and Mr. Wong Kwong Chi as independent non-executive directors of the Company, each of them had also resigned from being a member of the Audit Committee of the Company ("**Audit Committee**") with effect from 29 November 2016.

Each of Mr. Liu Ping Chun, Dr. Hon Lo Wai Kwok S.B.S, MH, JP and Dr. Zhu Wenhui was appointed as a member of the Audit Committee with effect from 29 November 2016.

Review of Preliminary Announcement

The financial figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the Year as set out in this preliminary announcement have been compared by the Company's external auditor, Deloitte Touche Tohmatsu, Certified Public Accountants, with the amounts set out in the Group's draft consolidated financial statements for the Year and the amounts were found to be in agreement.

The work performed by Deloitte Touche Tohmatsu in this respect did not constitute an audit, review or other assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by Deloitte Touche Tohmatsu on this preliminary announcement.

The Audit Committee has met Deloitte Touche Tohmatsu, and reviewed the annual results for the Year and has recommended its adoption by the Board.

AUDITOR

A resolution will be submitted to the forthcoming annual general meeting of the Company scheduled to be held on 5 May 2017, Friday at Unit 907, 9/F, Westlands Centre, 20 Westlands Road, Quarry Bay, Hong Kong ("**AGM**") to re-appoint Messrs. Deloitte Touche Tohmatsu as auditor of the Company.

EVENTS AFTER THE REPORTING PERIOD

After the end of reporting period, the Directors proposed a final dividend of HK0.3 cents per share (2015: HK1.0 cents). Further details are disclosed in note 9 above. Save for the proposal of final dividend, the Board is not aware of any significant event requiring disclosure that has been taken place subsequent to 31 December 2016 and up to the date of this Announcement.

FINAL DIVIDEND

The Directors proposed a final dividend of HK0.3 cents (2015: 1.0 cents) per share, which is subject to the approval by the shareholders in annual general meeting for the Year. The final dividend will be payable on 31 May 2017, Wednesday to the shareholders whose names appear on the register on Members of the Company on 17 May 2016, Wednesday.

CLOSURE OF REGISTER FOR AGM

The register of members of the Company will be closed from 28 April 2017, Friday to 5 May 2017, Friday (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 27 April 2017, Thursday.

CLOSURE OF REGISTER FOR FINAL DIVIDEND

The register of members of the Company will be closed from 15 May 2017, Monday to 17 May 2017, 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 12 May 2017, Friday.

On behalf of the Board
Wong Chun
Vice Chairman and Chief Executive Officer

Hong Kong, 27 March 2017

As at the date of this announcement, the Board comprises Wang Li Feng, Kong Lixing, Dong Jianqiang, Zhao Guo Xing, He Yongyi, Pang Kuo-Shi also known as Steve Pang and Wong Chun being executive directors and Liu Ping Chun, Lau Ho Kit, Ivan, Dr. Hon Lo Wai Kwok S.B.S, MH, JP and Dr. Zhu Wenhui 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.

In the case of inconsistency, the English text of this announcement shall prevail over the Chinese text.