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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)

**FIRST QUARTERLY RESULTS ANNOUNCEMENT
FOR THE THREE MONTHS ENDED 31 MARCH 2021**

**CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG
LIMITED (THE “EXCHANGE”)**

GEM has been positioned as a market designed to accommodate small and mid-sized 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.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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*This announcement, for which the directors (the “**Director(s)**”) 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 (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**”) hereby announces the unaudited condensed consolidated financial statements of the Group for the three months ended 31 March 2021 (the “**Period**”) together with the comparative unaudited figures for the corresponding period in 2020 as follows:

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME – UNAUDITED**

For the three months ended 31 March 2021

		Three months ended 31 March	
		2021	2020
		(Unaudited)	(Unaudited)
	<i>Notes</i>	HK\$'000	HK\$'000
Revenue	3	73,196	55,390
Cost of sales		<u>(66,028)</u>	<u>(50,696)</u>
Gross profit		7,168	4,694
Other income		845	854
Other gains and losses		(45)	(642)
Share of loss of a joint venture		(2,922)	(1,556)
Selling and distribution expenses		(1,745)	(1,466)
Administrative expenses		<u>(8,445)</u>	<u>(10,163)</u>
Loss before taxation	5	(5,144)	(8,279)
Income tax expense	6	<u>(837)</u>	<u>(420)</u>
Loss for the Period		(5,981)	(8,699)
Other comprehensive income for the Period:			
Exchange differences arising from translation of foreign operations		<u>1,594</u>	<u>996</u>
Total comprehensive (expense) for the Period		<u><u>(4,387)</u></u>	<u><u>(7,703)</u></u>
Loss for the Period attributable to:			
– Equity holders of the Company		(5,854)	(8,441)
– Non-controlling interests		<u>(127)</u>	<u>(258)</u>
		<u><u>(5,981)</u></u>	<u><u>(8,699)</u></u>
Total comprehensive (expense) attributable to:			
– Equity holders of the Company		(3,841)	(7,445)
– Non-controlling interests		<u>(546)</u>	<u>(258)</u>
		<u><u>(4,387)</u></u>	<u><u>(7,703)</u></u>
Loss per share			(Re-presented)
Basic	8	<u><u>HK(0.83) cents</u></u>	<u><u>HK(1.24) cents</u></u>

Notes:

1. GENERAL AND BASIS OF PRESENTATION

The Company was incorporated in the Cayman Islands and continued in Bermuda with limited liability.

The shares of the Company (the “**Share(s)**”) were listed on GEM on 4 January 2002. The address of the registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda and the principal place of business of the Company in Hong Kong is at Room 1033, 10/F., Central Building, 1-3 Pedder Street, Central, Hong Kong.

The consolidated financial statements of the Group for the three months ended 31 March 2021 are presented in Hong Kong dollars (“**HK\$**”). 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 of the Group for the three months ended 31 March 2021 in HK\$.

The Company acts as an investment holding company.

The unaudited consolidated financial statements of the Group for the three months ended 31 March 2021 have been prepared in accordance with the applicable disclosure requirements of Chapter 18 of the GEM Listing Rules and with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), and accounting principles generally accepted in Hong Kong.

2. PRINCIPAL ACCOUNTING POLICIES

The unaudited consolidated financial statements of the Group for the three months ended 31 March 2021 have been prepared under the historical cost convention except for investment properties, which are measured at fair value. The accounting policies adopted are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2020 (the “**2020 Financial Statements**”).

3. REVENUE

Sales of connectively products

Revenue represents the amounts received and receivable, net of discounts and returns, from the sales of connectivity products mainly for computers, computer peripheral products, multi-media consumable electronics products, communication products, automobile electronics accessories, wire harness and medical equipment and subcontracting service rendered during the Period under review.

Provision of comprehensive architectural services

Where the outcome of a contract of comprehensive architectural services can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the end of the reporting period, measured based on the proportion that contract costs incurred for work performed to date relative to the estimated total contract costs. Variations in contract work, claims, and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

Where the outcome of a contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

4. SEGMENT INFORMATION

The Group determines its operating segments based on the reports regularly reviewed by the 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, the same information is also 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 and in the provision of comprehensive architectural services. The Group’s operating segments under HKFRS 8 are as follows:

Information about major customers

	Three months ended 31 March			
	2021		2020	
	<i>HK\$'000</i>	%	<i>HK\$'000</i>	%
	<i>(Unaudited)</i>		<i>(Unaudited)</i>	
OEM customers	43,898	60.0	28,846	52.1
Retail distributors	25,768	35.2	20,523	37.0
Provision of comprehensive architectural services	3,530	4.8	6,021	10.9
	73,196	100.0	55,390	100.0

Geographical information

Sales analysis by geographical customer market:–

	Three months ended 31 March			
	2021		2020	
	<i>HK\$'000</i>	<i>%</i>	<i>HK\$'000</i>	<i>%</i>
	<i>(Unaudited)</i>		<i>(Unaudited)</i>	
The United States of America	17,095	23.4	15,112	27.3
Japan	18,554	25.3	13,583	24.5
Korea	23,944	32.7	9,910	17.9
The People's Republic of China (the "PRC")	7,635	10.4	7,591	13.7
Taiwan	3,720	5.1	6,225	11.2
Others	2,248	3.1	2,969	5.4
	<u>73,196</u>	<u>100.0</u>	<u>55,390</u>	<u>100.0</u>

5. (LOSS) PROFIT BEFORE TAXATION

(Loss) profit before taxation has been arrived at after charging:–

	Three months ended 31 March	
	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Depreciation and amortisation	<u>1,150</u>	<u>1,634</u>

6. INCOME TAX EXPENSE

The taxation provided represents the PRC enterprise income tax, which is calculated at the prevailing rates.

No provision for Hong Kong Profits Tax has been made in the financial statements as the Group had no assessable profit in Hong Kong for the Period.

No provision for deferred taxation has been made in the financial statements as there was no material timing difference arising during the Period and at the balance sheet date.

7. DIVIDEND

The Board does not recommend the payment of a dividend for the Period (three months ended 31 March 2020: nil).

8. LOSS PER SHARE

The calculation of basic loss per Share for the Period is based on the unaudited consolidated loss attributable to the shareholders of the Company (the “**Shareholders**”) of approximately HK\$5,854,000 (three months ended 31 March 2020: approximately HK\$8,441,000) and on the weighted average number of 704,000,000 Shares (three months ended 31 March 2020: 649,846,000 Shares (re-presented)).

The loss per Share for the Period was HK0.83 cents (three months ended 31 March 2020: HK1.24 cents (re-presented)).

Basic loss per share are re-presented to reflect the bonus element of the placing of shares during the year ended 31 December 2020.

No dilutive loss per share has been presented because the Company did not have any outstanding potential dilutive ordinary share during both periods end 31 March 2021 and 2020 respectively.

9. RESERVES

There was no movement in reserves of the Group during the Period other than (loss) profit attributable to the Shareholders of approximately HK\$5,854,000 (three months ended 31 March 2020: approximately HK\$8,441,000) and increase in translation reserve of approximately HK\$1,594,000 (three months ended 31 March 2020: approximately HK\$996,000).

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

The Group is principally engaged in electronic business and architectural design business. In the electronic business, the Group designs, manufactures and sells connectivity products mainly for computers, computer peripheral products, mobile phones peripheral products, multi-media consumable electronic products, communication products, automobile electronics accessories, wire harness and medical equipment (the “Electronics Business”). In the architectural design business, the Group is engaging in master-planning work, general design work and architectural schematic design work (the “Architectural Design Business”).

The Electronic Business

In the first quarter of 2020, the outbreak of the COVID-19 pandemic globally had imposed adverse impact on the consumer demand for electronic products globally and the Group’s production capacity and efficiencies in the PRC. Amidst a long, uneven and uncertain recovery to pre-pandemic situation from the COVID-19, the Directors continue to implement effective strategies to increase our sales order and revenue and achieved a promising result for the three months ended 31 March 2021.

This business segment contributed revenue of approximately HK\$69,666,000 for the Period (three months ended 31 March 2020: approximately HK\$49,369,000), representing an increase of approximately 41.1% as compared with the three months ended 31 March 2020.

The Architectural Design Business

In the first quarter of 2020, the outbreak of COVID-19 has caused suspension of our design projects in the PRC. During the Period, with the PRC real estates market continued to be affected by the aftermath of COVID-19 pandemic, this business segment contributed revenue of approximately HK\$3,530,000 during the Period (three months ended 31 March 2020: approximately HK\$6,021,000), representing a decrease of approximately 41.4% as compared with the three months ended 31 March 2020. However, having considered the significant increase in new design contracts win and the corresponding contract sales during the Period compared to the three months ended 31 March 2020, the Directors is optimistic to the results of the Architectural Design Business in the coming year.

Financial Review

The Group recorded a turnover of approximately HK\$73,196,000 for the Period (three months ended 31 March 2020: approximately HK\$55,390,000), representing an increase of approximately 32.1% as compared with the three months ended 31 March 2020.

Gross profit

The Group recorded a gross profit of approximately HK\$7,168,000 for the Period, representing an increase of approximately 52.7% as compared to approximately HK\$4,694,000 as recorded for the three months ended 31 March 2020. The gross profit margin increased from approximately 8.5% for the three months ended 31 March 2020 to approximately 9.8% for the Period.

Other income

Other income was approximately HK\$845,000 for the Period (three months ended 31 March 2020: approximately HK\$854,000).

Selling and distribution expenses

Selling and distribution expenses were approximately HK\$1,745,000 for the Period (three months ended 31 March 2020: approximately HK\$1,466,000), increased by 19.0%, which was mainly attributable to the expenses incurred for operating the online stores and additional marketing efforts used to boost sales. Such efforts have come in fruition as evidenced by the significant increase in Revenue during the Period compared to the three months ended 31 March 2020.

Administrative expenses

Administrative expenses was approximately HK\$8,445,000 for the Period (three months ended 31 March 2020: approximately HK\$10,163,000), representing a decrease of approximately 11.4% as compared with the three months ended 31 March 2020 due to the management continuous attention on cost control.

Finance cost

The Group did not incur any finance cost in both the Period and the three months ended 31 March 2020.

Income tax expenses

The Group recorded an income tax expense of approximately HK\$837,000 for the Period (three months ended 31 March 2020: approximately HK\$420,000).

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

As at 31 March 2021, the interests and short position of the Directors, the chief executive 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 standards of dealings by directors of listed issuer as referred to 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:

Long positions in ordinary Shares of HK\$0.01 each

Name of Director	Capacity	Number of issued ordinary Shares held	Percentage of issued share capital of the Company
Mr. Wang Li Feng (“ Mr. Wang ”)	Interest in a controlled corporation (<i>Note</i>)	355,620,000	50.51%
	Beneficiary owner	52,595,000	7.47%

Note: The 355,620,000 Shares are held by PT Design Group Holdings Limited (“PT Design”), which is indirectly wholly-owned by Mr. Wang.

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 or any of its associated corporations as at 31 March 2021.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As at 31 March 2021, the following persons, not being a Director or chief executive of the Company, had an interest or short position in the Shares and underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who is interested, directly or indirectly, in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group:

Long positions in ordinary Shares of HK\$0.01 each

Name of shareholders	Capacity	Number of issued ordinary Shares held	Percentage of issued share capital of the Company
PT Design	Beneficiary owner	355,620,000	50.51%
Mr. Pang Kuo-Shi (“Mr. Pang”) (<i>Note</i>)	Interest in a controlled corporation	74,403,000	10.57%
Modern Wealth Assets Limited (<i>Note</i>)	Beneficiary owner	74,403,000	10.57%

Note: Mr. Pang is deemed to be interested in the 74,403,000 shares held by Modern Wealth Assets Limited, a company wholly-owned by Mr. Pang.

SHARE OPTION SCHEME

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 fulltime employees of the Group to subscribe for Shares.

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 in issue at any point in time, without prior approval from the 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 in issue at any point in time, without prior approval from the 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 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 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 have been granted under the Scheme since its adoption.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Save for the Scheme, at no time during the Period was the Company or any of its subsidiaries, a party to any arrangements to enable the Directors 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 had maintained a sufficient public float throughout the Period.

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 positions in the issued share capital of the Company as at 31 March 2021.

COMPLIANCE WITH GEM LISTING RULES 5.48 TO 5.67

The Company has adopted a code of conduct regarding directors’ securities transactions on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Directors, upon specific enquiry being made, confirm that during the Period, they had complied with the required standards of dealings and the Company’s code of conduct regarding directors’ securities transactions.

INTERESTS IN COMPETING BUSINESS

During the Period, the following Director had interests in the following business which were considered to compete or likely to compete, either directly or indirectly, with the business of the Group (other than those business where the Directors were appointed as directors to represent the interests of the Company and/or the Group):

Name of Director	Name of entity which were considered to compete or likely to compete with the business of the Group	Description of competing Business	Nature of interests
Mr. Wang	Australia PT Design Consultants Limited (“ PT Consultants ”)	Provision of architectural design service (other than technical and documentation work)	Directly holding 27.6% interest in PT Consultants and a director
	PT Architectural Design (Shenzhen) Company Limited (“ PT Shenzhen ”)	Provision of architectural design service (other than technical and documentation work)	Indirectly holding 27.6% interest in PT Shenzhen through PT Consultants and a director
	Shanghai PT Architecture Design & Consultant Co., Ltd (“ Shanghai PT ”)	Provision of architectural design service (other than technical and documentation work)	Indirectly holding 17% interest in Shanghai PT and a director

As (i) each of the above Directors is fully aware of their fiduciary duty to the Group, and will abstain from voting on any matter where there is or may be a conflict of interest; (ii) the architectural design service will be first undertaken by the Group as general design contractor, unless otherwise requested by independent developers; (iii) unless otherwise requested by independent developers, all master-planning work shall be first subcontracted to the Group; (iv) the Group have the first right of refusal on accepting the architectural schematic design work unless it is specifically requested by the independent developers that such work shall be performed by PT Consultants or PT Shenzhen; and (v) Mr. Wang has not involved in the day-to-day management and operation of Shanghai PT, the Group is capable of carrying its business independently of and at arm's length from the businesses of these entities.

Save as disclosed above, during the Period, none of the Directors or the controlling Shareholders or their respective close associates had an interest in a business, which competes or may compete with the business of the Group.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's bye-laws, or the laws of Bermuda, which would oblige the Company to offer new Shares on a pro-rata basis to the existing Shareholders.

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Shares during the Period.

CORPORATE GOVERNANCE

The Company complied throughout the Period with the code provisions in the Code on Corporate Governance Practices contained in Appendix 15 to the GEM Listing Rules.

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 complied with the required standard of dealings and the code of conduct regarding securities transactions by directors adopted by the Company during the Period.

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

AUDIT COMMITTEE

The audit committee of the Company (the “**Audit Committee**”) comprises three members, namely Dr. Yan Ka Shing, Dr. Fong Chi Wai, Alex and Dr. Feng Shen who are all independent non-executive Directors with Dr. Yan Ka Shing acting as the chairman. The primary duties of the Audit Committee are, among others, to review and supervise the financial reporting and internal control procedures of the Company. The financial results for the three months ended 31 March 2021 presented herein have not been audited but have been reviewed by the Audit Committee.

On behalf of the Board
Wang Li Feng
Chairman & Executive Director

Hong Kong, 14 May 2021

As at the date of this announcement, the executive Directors are Mr. Wang Li Feng, Mr. Yu Sanlong, Mr. Fan Xiaoling and Ms. Lee Jui-lan; and the independent non-executive Directors are Dr. Fong Chi Wai, Alex, Dr. Yan Ka Shing and Dr. Feng Shen.

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.