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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)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2021

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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.

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*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 (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.*

INTERIM RESULTS

The board of Directors (the “**Board**”) is pleased to present the unaudited condensed consolidated financial statements of the Group for the three months (the “**Second Quarter**”) and six months ended 30 June 2021 (the “**Half-Year Period**”) (collectively the “**Periods**”) together with the comparative unaudited figures for the corresponding periods in 2020 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME — UNAUDITED

For the three months and six months ended 30 June 2021

		Three months ended 30 June		Six months ended 30 June	
		2021	2020	2021	2020
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
	Notes	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue	3	90,593	101,333	163,789	156,723
Cost of sales and services rendered		(79,452)	(74,912)	(145,480)	(125,608)
Gross profit		11,141	26,421	18,309	31,115
Other income		1,299	1,033	2,144	1,887
Other gains and losses		92	(251)	47	(893)
Share of (loss)/profit of joint ventures		(812)	2,093	(3,734)	537
Selling and distribution expenses		(2,038)	(1,811)	(3,783)	(3,277)
Administrative expenses		(13,310)	(12,126)	(21,755)	(22,289)
Profit before taxation	5	(3,628)	15,359	(8,772)	7,080
Income tax credit/(expenses)	6	15,652	(756)	14,815	(1,176)
Profit for the period		12,024	14,603	6,043	5,904
Other comprehensive income for the period:					
Item that may be reclassified subsequently to profit or loss:					
Exchange differences arising from translation of foreign operations		(4,589)	(1,070)	(3,005)	(74)
Total comprehensive income for the period		7,435	13,533	3,038	5,830
Profit/(loss) for the period attributable to:					
— Owners of the Company		12,039	14,752	6,185	6,311
— Non-controlling interests		(15)	(149)	(142)	(407)
		12,024	14,603	6,043	5,904
Total comprehensive income/(expense) attributable to:					
— Owners of the Company		7,450	13,682	3,180	6,237
— Non-controlling interests		(15)	(149)	(142)	(407)
		7,435	13,533	3,038	5,830
Earnings per share					
Basic and diluted		HK1.84 cents	HK2.25 cents	HK0.94 cents	HK0.97 cents

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2021

		As at 30 June 2021 <i>HK\$'000</i> (Unaudited)	As at 31 December 2020 <i>HK\$'000</i> (Audited)
	Notes		
NON-CURRENT ASSETS			
Property, plant and equipment	9	48,849	50,417
Right-of-use assets		8,773	8,828
Investment properties	9	14,250	14,250
Interests in joint ventures		1,455	5,189
		73,327	78,684
CURRENT ASSETS			
Inventories		75,708	50,589
Trade and other receivables	10	140,427	69,284
Contract assets		4,860	3,052
Amount due from a joint venture		10	10
Bank balances and cash		54,585	56,403
		275,590	179,338
CURRENT LIABILITIES			
Trade and other payables	11	166,159	78,761
Contract liabilities		993	1,556
Lease liabilities		309	309
Bank and other borrowings		16,681	—
Tax liabilities		27,640	43,299
		211,782	123,925
NET CURRENT ASSETS		63,808	55,413
TOTAL ASSETS LESS CURRENT LIABILITIES		137,135	134,097

		As at 30 June 2021 <i>HK\$'000</i> (Unaudited)	As at 31 December 2020 <i>HK\$'000</i> (Audited)
	<i>Notes</i>		
NON-CURRENT LIABILITY			
Lease liabilities		<u>908</u>	<u>908</u>
TOTAL LIABILITIES		<u>212,690</u>	<u>124,833</u>
NET ASSETS		<u>136,227</u>	<u>133,189</u>
CAPITAL AND RESERVES			
Share capital	12	7,040	7,040
Reserves		<u>129,820</u>	<u>126,640</u>
Equity attributable to owners of the Company		136,860	133,680
Non-controlling interests		<u>(633)</u>	<u>(491)</u>
TOTAL EQUITY		<u>136,227</u>	<u>133,189</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2021 — unaudited

	Share capital HK\$'000	Share premium HK\$'000 (Note i)	Merger reserve HK\$'000 (Note ii)	Translation reserve HK\$'000	Retained profits HK\$'000	Sub-total HK\$'000	Non- controlling interests HK\$'000	Total HK\$'000
At 1 January 2020 (Audited)	6,400	—	680	9,993	112,544	129,617	55	129,672
Profit/(loss) for the period	—	—	—	—	6,311	6,311	(407)	5,904
Other comprehensive expense	—	—	—	(74)	—	(74)	—	(74)
Total comprehensive (expense)/income for the period	—	—	—	(74)	6,311	6,237	(407)	5,830
Issue of new shares (Note i)	640	5,438	—	—	—	6,078	—	6,078
At 30 June 2020 (Unaudited)	7,040	5,438	680	9,919	118,855	141,932	(352)	141,580
At 1 January 2021 (Audited)	7,040	5,438	680	12,554	107,968	133,680	(491)	133,189
Profit/(loss) for the period	—	—	—	—	6,185	6,185	(142)	6,043
Other comprehensive expense	—	—	—	(3,005)	—	(3,005)	—	(3,005)
Total comprehensive (expense)/income for the period	—	—	—	(3,005)	6,185	3,180	(142)	3,038
At 30 June 2021 (Unaudited)	7,040	5,438	680	9,549	114,153	136,860	(633)	136,227

Notes:

- i. On 3 June 2020, the Company entered into a placing agreement with a placing agent pursuant to which the placing agent placed 64,000,000 placing shares at the placing price of a HK\$0.1 per placing share to certain independent placees. The net proceeds from the subscription, net of related issued costs and expenses, will be used for general working capital of the Group.
- ii. 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.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2021

	Six months ended 30 June	
	2021	2020
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
NET CASH USED IN OPERATING ACTIVITIES	(15,549)	(30,426)
NET CASH GENERATED FROM INVESTING ACTIVITIES	—	347
NET CASH GENERATED FROM FINANCING ACTIVITIES	16,671	5,873
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	(2,940)	640
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,818)	(23,566)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	56,403	79,871
CASH AND CASH EQUIVALENTS AT END OF PERIOD	54,585	56,305
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS		
Represented by bank balances and cash	54,585	56,305

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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 “**Shares**”) were listed on GEM of The Stock Exchange of Hong Kong Limited on 4 January 2002. The addresses of the registered office and principal place of business of the Company are disclosed in the Corporate Information of the annual report of the Company for the year ended 31 December 2020.

The condensed consolidated financial statements 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 in HK\$.

The Company acts as an investment holding company.

The unaudited condensed consolidated financial statements for the Half-Year Period 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 (the “**HKICPA**”), and accounting principles generally accepted in Hong Kong.

2. PRINCIPAL ACCOUNTING POLICIES

The unaudited condensed consolidated financial statements for the Half-Year Period have been prepared on 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**”).

In the current interim period, the Group has applied, for the first time, the following amendments to Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the HKICPA which are effective for the for the Group’s financial year beginning 1 January 2021:

Amendment to HKFRS 16	Covid-19-Related Rent Concessions
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform — Phase 2

The application of the amendments to HKFRSs in the current interim period has had no material impact on the Group’s financial performance and positions for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

3. REVENUE

Sales of connectivity 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 equipments 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 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 resources 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, and provision of comprehensive architectural services (master-planning and architectural design). The Group’s operating segments under HKFRS 8 *Operating Segments* are as follows:

	Six months ended 30 June 2021				Six months ended 30 June 2020			
	Continued operations				Discontinued operations			
	OEM	Retail	Provision of		OEM	Retail	Provision of	
	customers	distributors	architectural	Total	customers	distributors	architectural	Sub total
	HK\$'000	HK\$'000	services	HK\$'000	HK\$'000	HK\$'000	services	HK\$'000
			HK\$'000				HK\$'000	
SEGMENT REVENUE								
— External sales	97,727	52,532	13,530	163,789	77,214	64,873	14,636	156,723
SEGMENT PROFIT	9,513	5,428	3,368	18,309	14,171	13,429	3,515	31,115
Unallocated expenses				(25,538)				(25,566)
Other income				2,144				1,887
Other gains and losses				47				(893)
Share of (loss)/profit of joint ventures				(3,734)				537
(Loss)/profit before taxation				(8,772)				7,080

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

Geographical segments

The Group's operation 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							
	Three months ended 30 June				Six months ended 30 June			
	2021		2020		2021		2020	
	<i>HK\$'000</i>	%	<i>HK\$'000</i>	%	<i>HK\$'000</i>	%	<i>HK\$'000</i>	%
	(Unaudited)		(Unaudited)		(Unaudited)		(Unaudited)	
Korea	25,982	28.7%	19,969	19.7%	49,926	30.5%	29,879	19.1%
Japan	19,585	21.6%	23,312	23.0%	38,139	23.3%	36,895	23.5%
Taiwan	5,105	5.6%	8,273	8.2%	8,825	5.4%	14,498	9.3%
United States of America	21,625	23.9%	31,028	30.6%	38,720	23.6%	46,140	29.4%
The PRC	15,012	16.6%	11,617	11.5%	22,647	13.8%	19,208	12.3%
Others	3,284	3.6%	7,134	7.0%	5,532	3.4%	10,103	6.4%
	90,593	100%	101,333	100.0%	163,789	100%	156,723	100.0%

5. PROFIT BEFORE TAXATION

Profit before taxation has been arrived at after charging:

	Three months ended 30 June		Six months ended 30 June	
	2021	2020	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Depreciation and amortisation	116	1,527	1,568	3,161

6. INCOME TAX EXPENSES

The amount mainly represents current tax expense on assessable profits arising in the PRC and is calculated at the rates prevailing in the PRC. 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 the Periods, except for those subsidiaries described below.

Certain subsidiaries operating in the PRC fall within the Preferential Corporate Income Tax Catalogue in the specific zone. According to Cai Shui (2014) No.26, qualified companies in Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone are granted for a reduced enterprise income tax rate of 15% during the period from 1 January 2014 to 30 June 2021.

No provision for Hong Kong Profits Tax has been made in the condensed consolidated financial statements as there are no assessable profits for the Periods.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

7. EARNINGS PER SHARE

The calculation of basic loss per share for the Second Quarter and Half-Year Period is based on the consolidated profit attributable to shareholders of approximately HK\$12,039,000 and HK\$6,185,000 respectively (consolidated profit attributable to shareholders for three months and six months ended 30 June 2020: approximately HK\$14,752,000 and HK\$6,311,000 respectively) and on the weighted average number of approximately 655,202,000 and 655,202,000 ordinary shares respectively (2020: 655,202,000 and 655,202,000 ordinary shares respectively) in issue.

No dilutive earnings per share has been presented for the Second Quarter and the Half-Year Period because there are no potential dilutive ordinary share in the respective periods.

8. DIVIDEND

The Directors do not recommend the payment of an interim dividend for the Half-Year Period (PY2020: nil).

9. PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES

During the Half-Year Period, the Group does not acquire any property, plant and equipment (PY2020: approximately HK\$155,000). The investment properties were valued at HK\$14,750,000 on 31 December 2020 by Savills Valuation and Professional Services Limited, an independent qualified professional valuer.

The fair value was determined using direct comparison approach assuming sales of the properties in their respective existing state and by making reference to comparable sales evidences as available on the market. There has been no change from the valuation technique used in the prior year.

The Directors consider that the fair value of the investment properties as at 30 June 2021 was not significantly different from their carrying value as at 31 December 2020.

10. TRADE AND OTHER RECEIVABLES

The following is an aged analysis of trade receivables presented based on the invoice date at the end of the reporting period which approximately the respective revenue recognition dates:

	As at 30 June 2021 <i>HK\$'000</i> (Unaudited)	As at 31 December 2020 <i>HK\$'000</i> (Audited)
Within 30 days	81,981	19,958
From 31 days to 120 days	3,725	30,390
From 121 days to 180 days	2	657
Over 180 days	51	754
	<u>85,759</u>	<u>51,759</u>
Other receivables	<u>54,668</u>	<u>17,525</u>
Total	<u><u>140,427</u></u>	<u><u>69,284</u></u>

11. TRADE AND OTHER PAYABLES

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

The following is an aging analysis of trade payables at the reporting date:

	As at 30 June 2021 <i>HK\$'000</i> (Unaudited)	As at 31 December 2020 <i>HK\$'000</i> (Audited)
Within 30 days	54,289	13,247
From 31 days to 90 days	67,721	21,535
From 91 days to 150 days	7,603	7,524
Over 150 days	3,211	3,092
	<u>132,824</u>	<u>45,398</u>
Other payables	<u>33,335</u>	<u>33,363</u>
Total	<u><u>166,159</u></u>	<u><u>78,761</u></u>

12. SHARE CAPITAL

On 3 June 2020, the Company entered into a placing agreement with a placing agent pursuant to which the placing agent placed 64,000,000 placing shares at the placing price of HK\$0.1 per placing share to certain independent placees. The net proceeds from the subscription, net of related issued costs and expenses, will be used for general working capital of the Group.

The share capital of the Company was then increased from HK\$6,400,000 to HK\$7,040,000.

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 Electronics Business

During the six months ended 30 June 2020 (the “PY2020”), the outbreak of the COVID-19 pandemic globally has 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 Half-Year Period.

This business segment contributed revenue of approximately HK\$150.3 million to the Group during the Half-Year Period (PY2020: approximately HK\$142.1 million), representing an increase of approximately 5.8% as compared with the PY2020.

The Architectural Design Business

During the PY2020, the outbreak of COVID-19 has caused suspension of our design projects in the PRC. 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\$13.5 million during the Half-Year Period (PY2020: approximately HK\$14.6 million), representing a slight decrease of approximately 7.5% as compared with PY2020. The Directors are observing a slow yet strong recovery in this segment, noting increases in new design contracts win and the corresponding contract sales during the Half-Year Period compared to the PY2020. The Directors remain optimistic to the results of the Architectural Design Business for the rest of the year.

Financial Review

The Group recorded a turnover of approximately HK\$163.8 million for the Half-Year Period (PY2020: approximately HK\$156.7 million), representing an increase of approximately 4.5% as compared with the PY2020.

Gross profit

The Group recorded a gross profit of approximately HK\$18,309,000 for the Half-Year Period, representing a decrease of approximately 41.2% as compared to approximately HK\$31,115,000 for the PY2020. This was mainly attributable to the global supply chain disruption and surge in raw material prices. The gross profit margin decreased from approximately 19.8% for the PY2020 to approximately 11.2% for the Half-Year Period.

Other income

The Group earned other income of approximately HK\$2,144,000 during the Half-Year Period (PY2020: approximately HK\$1,887,000), representing an increase of approximately 13.5%.

Selling and distribution expenses

The selling and distribution expenses were approximately HK\$3,783,000 during the Half-Year Period (PY2020: approximately HK\$3,277,000), increased by 11.5%, 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 to fruition as evidenced by the increase in Revenue during the Half-Year Period compared to PY2020.

Administrative expenses

The administrative expenses were approximately HK\$21,755,000 during the Half-Year Period (PY2020: approximately HK\$22,289,000), representing a decrease of approximately 2.4% due to the management continuous attention on cost control.

Income tax expenses

The Group recorded an income tax credit of approximately HK\$14,815,000 for the Half-Year Period as a result of overprovision in prior years (PY2020: income tax expenses of approximately HK\$1,176,000).

Net Profit

The Group reported a net profit attributable to owners of the Company for the Half-Year Period of approximately HK\$6,185,000 (PY2020: approximately HK\$6,311,000), decreased by approximately 2.0%.

Earnings per share

The basic earnings per share for the Half-Year Period was approximately HK0.94 cents (PY2020: approximately HK0.97 cents).

Liquidity and financial resources

As at 30 June 2021, the Group's net current assets, cash and bank balances and shareholders' funds amounted to approximately HK\$63.8 million, HK\$54.6 million and HK\$136.2 million (31 December 2020: approximately HK\$55.4 million, HK\$56.4 million and HK\$133.2 million) respectively. The current ratio, expressed as current assets over current liabilities, was maintained at the level of approximately 1.88 (31 December 2020: approximately 1.45).

FUTURE OUTLOOK

The Directors will continue the Group's a multi-faceted plan as disclosed in the annual report of the Company for the year ended 31 December 2020 to increase shareholder value and re-invest the available resources to maximize asset utilization and value and merger and acquisition activities and strategic partnerships.

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

As at 30 June 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 (the “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 the Rules 5.46 to 5.67 of Chapter 5 of the GEM Listing Rules and Divisions 7 and 8 of Part XV of the SFO, were as follows:

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 30 June 2021.

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

As at 30 June 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 position in ordinary Shares of HK\$0.01 each

Name of shareholder	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") (Note)	Interest in a controlled corporation	74,403,000	10.57%
Modern Wealth Assets Limited (Note)	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 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 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 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 Half-Year 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 Half-Year Period.

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 Half-Year Period, they have complied with the required standards of dealings and the Company's code of conduct regarding directors' securities transactions.

INTERESTS IN COMPETITORS

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

Name of Director	Name of entities 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 Half-Year 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 Half-Year Period.

DIVIDENDS

The Directors do not recommend the payment of an interim dividend for the Half-Year 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 the Directors, all the 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 Half-Year 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 Half-Year Period presented herein have not been audited by the auditors of the Company but have been reviewed by the Audit Committee.

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

Hong Kong, 13 August 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 Listed Company Information” page of the GEM website at www.hkgem.com 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.