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)

ANNOUNCEMENT OF UNAUDITED ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2021

Characteristics of GEM of The Stock Exchange of Hong Kong Limited (the "Stock 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 Stock 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.

*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 Stock 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 the Directors (the "**Board**") is pleased to announce the unaudited consolidated results of the Group for the year ended 31 December 2021 (the "**Year**"), together with the comparative figures for the year ended 31 December 2020. For the reasons explained in the paragraph headed "Review of Unaudited Annual Results" in this announcement, the auditing process for the annual results of the Group for the Year has not been completed.

During the Year, the Group entered into a sale and purchase agreement to dispose a subsidiary which carried out some of the Group's electronic manufacturing activities. On 22 October 2021, the subsidiary was fully disposed, the subsidiary will cease to be part of the Group and the disposed subsidiary has ceased to conduct any business activities and transferred its businesses to another manufacturing facility of the group since the end of January 2021. The profits attributable to this disposed subsidiary have been classified as a discounted operation. As a result, the comparative audited figures for the corresponding periods in 2020 has also been re-presented to reflect the profits attributable to the discontinued operation.

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2021

	Notes	2021 *HK$'000* *(Unaudited)*	2020 *HK$'000* *(Audited)* *(Re-presented)*
Continued operations			
Revenue	*4*	**350,677**	292,748
Cost of sales and services rendered		**(310,128)**	(121,774)
Gross profit		**40,549**	170,974
Other income		**7,491**	5,317
Other gains and losses		**93,018**	(5,475)
Change in fair value of investment properties		**(750)**	(500)
Share of (loss)/profit of joint ventures		**(1,789)**	1,325
Finance costs		**(892)**	–
Selling and distribution expenses		**(8,455)**	(5,987)
Administrative expenses		**(84,694)**	(46,045)
Profit before taxation	*8*	**44,478**	119,609
Income tax expenses	*7*	**(3,072)**	(1,198)
Profit for the year from continuing operations		**41,406**	118,411
Discontinued operation			
Profit/(loss) for the year from discontinued operation	*6*	**2,574**	(123,533)
Profit/(loss) for the year		**43,980**	(5,122)
Other comprehensive (expense)/income for the year:			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising from translation of foreign operations		**(6,984)**	2,460
Share of other comprehensive income of joint ventures		**5**	101
		(6,979)	2,561
Total comprehensive income/(expense) for the year		**37,001**	(2,561)

	Notes	**2021** **HK$'000** **(Unaudited)**	2020 *HK$'000* *(Audited)* *(Re-presented)*
Profit/(loss) for the year attributable to owners of the Company			
– From continuing operations		**41,669**	118,957
– From discontinued operation		**2,574**	(123,533)
		44,243	(4,576)
Loss for the year attributable to non-controlling interests			
– From continuing operations		**(263)**	(546)
Total comprehensive income/(expense) attributable to:			
– Owners of the Company		**37,264**	(2,015)
– Non-controlling interests		**(263)**	(546)
		37,001	(2,561)
Earnings/(loss) per share from continuing and discontinued operations			
– Basic and diluted	*10*	**HK6.28 cents**	(HK0.65 cents)
Earnings per share from continuing operations			
– Basic and diluted	*10*	**HK5.92 cents**	HK17.5 cents

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2021

	Notes	2021 HK$'000 (Unaudited)	2020 HK$'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		**29,825**	50,417
Right-of-use assets		**25,211**	8,828
Investment properties		**13,500**	14,250
Interests in joint ventures		**3,405**	5,189
		71,941	78,684
CURRENT ASSETS			
Inventories		**58,131**	50,589
Trade and other receivables	*11*	**206,829**	69,284
Contract assets		**5,266**	3,052
Amount due from a joint venture		**7**	10
Bank balances and cash		**84,132**	56,403
		354,365	179,338
CURRENT LIABILITIES			
Trade payables, other payables and accruals	*12*	**151,159**	78,761
Contract liabilities		**1,663**	1,556
Lease liabilities		**5,497**	309
Tax liabilities		**30,564**	43,299
Bank and other borrowings		**51,675**	–
		240,558	123,925
NET CURRENT ASSETS		**113,807**	55,413
TOTAL ASSETS LESS CURRENT LIABILITIES		**185,748**	134,097
NON-CURRENT LIABILITIES			
Lease liabilities		**15,558**	908
NET ASSETS		**170,190**	133,189
CAPITAL AND RESERVES			
Share capital	*13*	**7,040**	7,040
Reserves		**163,904**	126,640
Equity attributable to owners of the Company		**170,944**	133,680
Non-controlling interests		**(754)**	(491)
TOTAL EQUITY		**170,190**	133,189

Notes:

1. GENERAL

The Company was incorporated in the Cayman Islands and continued in Bermuda with limited liability. The shares of the Company were listed on GEM of the Stock Exchange on 4 January 2002.

The addresses of the registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda and the principal place of business in Hong Kong is at Room 1033, 10/F, Central Building, 1-3 Pedder Street, Central, Hong Kong.

The Company acts as an investment holding company and its subsidiaries are principally engaged in the manufacturing and trading of connectivity products mainly for computers and peripheral products, and provision of comprehensive architectural services.

The consolidated financial statements are presented in Hong Kong dollars ("**HK$**"). The functional currency of the Company is United States dollars. As the Company is listed in Hong Kong, the Directors consider that it is appropriate to present the consolidated financial statements in HK$.

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

In the current year, the Group has applied for the first time, the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") which are effective for the Group's financial year beginning 1 January 2021:

Amendments 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 year has had no material effect on the Group's financial performance and positions for the current and prior periods and/or on the disclosures set out in these consolidated financial statements.

New and amendments to HKFRSs issued 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 17	Insurance Contracts and related Amendments[3]
Amendments to HKFRS 3	Reference to the Conceptual Framework[2]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture[4]
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and the related amendments to Hong Kong Interpretation 5 (2020) Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause[3]
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies[3]
Amendments to HKAS 8	Definition of Accounting Estimates[3]
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction[3]
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use[2]
Amendments to HKAS 37	Onerous contracts: Cost of fulfilling a contract[2]
Amendments to HKFRS 16	COVID-19-Related Rent Concessions beyond 30 June 2021[1]
Amendments to HKFRSs	Annual Improvements to HKFRS 2018 – 2020 cycle[2]

1 Effective for annual periods beginning on or after 1 April 2021
2 Effective for annual periods beginning on or after 1 January 2022
3 Effective for annual periods beginning on or after 1 January 2023
4 Effective for annual periods beginning on or after a date to be determined

The directors of the Company anticipate that the application of the new and amendments to HKFRSs will have no material impact on the results and the financial position of the Group.

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 GEM Listing Rules and by the Hong Kong Companies Ordinance.

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

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

4. REVENUE

(i) Disaggregation of revenue from contracts with customers

For the year ended 31 December 2021

	Sales of connectivity products *HK$'000* *(Unaudited)*	Contracts of comprehensive architectural services *HK$'000* *(Unaudited)*	Total *HK$'000* *(Unaudited)*
Geographical markets			
Korea	**103,037**	—	**103,037**
The PRC[#]	**13,100**	**33,432**	**46,532**
Japan	**67,471**	—	**67,471**
The United States of America ("**USA**")	**94,148**	—	**94,148**
Taiwan	**27,547**	—	**27,547**
Others	**11,942**	—	**11,942**
Total	**317,245**	**33,432**	**350,677**
Types of customers			
Original equipment manufacturer ("**OEM**") customers	**208,656**	—	**208,656**
Retail distributors	**108,589**	—	**108,589**
Contractors	—	**33,432**	**33,432**
Total	**317,245**	**33,432**	**350,677**
Timing of revenue recognition			
At a point in time	**317,245**	—	**317,245**
Over time	—	**33,432**	**33,432**
Total	**317,245**	**33,432**	**350,677**

For the year ended 31 December 2020

	Sales of connectivity products *HK$'000* *(Audited)*	Contracts of comprehensive architectural services *HK$'000* *(Audited)*	Total *HK$'000* *(Audited)*
Geographical markets			
Korea	72,354	—	72,354
The PRC#	10,189	31,141	41,330
Japan	66,537	—	66,537
The USA	77,806	—	77,806
Taiwan	19,343	—	19,343
Others	15,378	—	15,378
Total	261,607	31,141	292,748
Types of customers			
OEM customers	153,840	—	153,840
Retail distributors	107,767	—	107,767
Contractors	—	31,141	31,141
Total	261,607	31,141	292,748
Timing of revenue recognition			
At a point in time	261,607	—	261,607
Over time	—	31,141	31,141
Total	261,607	31,141	292,748

The People's Republic of China which, for the purpose of this announcement, excludes Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan.

(ii) Performance obligations for contracts with customers

(a) Sales of connectivity products

For trading of connectivity products, the Group sells connectivity products to OEM customers and retail distributors. Revenue is recognised when control of the goods has transferred, being when the goods have been delivered to the specific location and confirmed by the customers.

(b) Contracts of comprehensive architectural services

The Group provides comprehensive architectural services to independent contractors. Revenue from such services are recognised when a performance obligation is satisfied over time as the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. Revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation using input method.

The Group's service contracts include payment schedules which require stage payments over the design period once certain specified milestones are reached. The Group requires certain customers to provide upfront deposits range from 10% to 30% of total contract sum, when the Group receives a deposit before comprehensive architectural service commences, this will give rise to contract liabilities at the start of a contract, until the revenue recognised on the specific contract exceeds the amount of the deposit received.

A contract asset, net of contract liability related to the same contract, is recognised over the period in which the comprehensive architectural services are performed representing the Group's right to consideration for the services performed because the rights are conditioned on the Group's future performance in achieving specified milestones. The contract assets are transferred to trade receivables when the rights become unconditional upon meeting the billing milestones.

(iii) Transaction price allocated to the remaining performance obligation for contracts with customers

Contracts of comprehensive architectural services are typically completed within one year. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

5. SEGMENT INFORMATION

Information reported to the executive directors of the Company, being the chief operating decision makers ("CODM"), for the purpose of resources allocation and assessment of segment performance focuses on types of goods or services delivered or provided.

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 CODM.

Part of the OEM customers segment was regarded as discontinued operation during the year. The segment information reported below does not include any amounts for the discontinued operation, which is described in more details in note 6.

Specifically, the Group's reportable segments under HKFRS 8 are as follows:

1. OEM customers

2. Retail distributors

3. Provision of comprehensive architectural services

No operating segments have been aggregated in arriving at the reportable segments of the Group.

Segment results represent the profit earned by each segment without allocation of administrative expenses, selling and distribution expenses, share of profit of joint ventures, other income, other gains and losses and change in fair value of investment properties. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

The Group's segment assets exclude bank balances and cash, other receivables, investment properties, interests in joint ventures and deposits paid (non-current assets).

The Group's segment liabilities excluded other payables and accruals and tax liabilities.

The following is an analysis of the Group's revenue and results from continuing operations by reportable segments:

	2021				2020			
	Continued operations				Continued operations			
	OEM Customers	**Retail distributors**	**Provision of comprehensive architectural services**	**Total**	**OEM Customers**	**Retail distributors**	**Provision of comprehensive architectural services**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	(Unaudited)	***(Unaudited)***	***(Unaudited)***	***(Unaudited)***	*(Audited)*	*(Audited)*	*(Audited)*	*(Audited)*
SEGMENT REVENUE								
– External sales	**208,656**	**108,589**	**33,432**	**350,677**	153,840	107,767	31,141	292,748
SEGMENT PROFIT	**20,846**	**13,305**	**6,398**	**40,549**	144,366	19,085	7,523	170,974
Unallocated expenses				**(94,041)**				(52,032)
Other income				**7,491**				5,317
Other gains and losses				**93,018**				(5,475)
Change in fair value of investment properties				**(750)**				(500)
Share of profit of joint ventures				**(1,789)**				1,325
Profit before taxation				**44,478**				119,609
Other segment information:								
Depreciation included in cost of goods sold								
– Right-of-use assets	**(93)**	**(62)**	**–**	**(155)**	(130)	(87)	–	(217)
– Property, plant and equipment	**(2,144)**	**(1,429)**	**–**	**(3,573)**	(302)	(2,056)	–	(2,358)
Reversal/(provision) of allowance on inventories	**(4,553)**	**(3,131)**	**–**	**(7,684)**	(3,366)	1,042	–	(2,324)

	2021					2020				
	OEM customers	**Retail distributors**	**Sub-total**	**Provision of comprehensive architectural services**	**Total**	OEM customers	Retail distributors	Sub-total	Provision of comprehensive architectural services	Total
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	(Unaudited)	***(Unaudited)***	***(Unaudited)***	***(Unaudited)***	***(Unaudited)***	*(Audited)*	*(Audited)*	*(Audited)*	*(Audited)*	*(Audited)*
SEGMENT ASSETS										
Trade receivables *(Note)*	**50,761**	**28,181**	**78,942**	**5,638**	**84,580**	24,303	24,038	48,341	3,418	51,759
Property, plant and equipment, right-of-use assets, inventories and contract assets *(Note)*			**112,437**	**5,995**	**118,432**			108,858	4,028	112,886
Total segment assets			**191,379**	**11,633**	**203,012**			157,199	7,446	164,645
Other unallocated assets			**178,881**	**44,413**	**223,294**			77,263	16,114	93,377
Total assets			**370,260**	**56,046**	**426,306**			234,462	23,560	258,022
SEGMENT LIABILITIES										
Trade payable			**61,730**	**6,261**	**67,991**			44,304	1,094	45,398
Contract liabilities and lease liabilities			**7,160**	**–**	**7,160**			1,866	–	1,866
Total segment liabilities			**68,890**	**6,261**	**75,151**			46,170	1,094	47,264
Other unallocated liabilities			**174,916**	**6,049**	**180,965**			70,976	6,593	77,569
Total liabilities			**243,806**	**12,310**	**256,116**			117,146	7,687	124,833

Note: The nature of products, the production processes and the methods used to distribute the products to the OEM customers and retail distributors are similar. The Group's production facilities and inventories are located in the PRC. These two classes of customers utilise the Group's resources in a similar manner. Accordingly, the property, plant and equipment, right-of-use assets, prepaid lease payments and inventories are not separately allocated to the individual segments of the OEM customers and retail distributors. In contrast, the Group's CODM 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	
	2021	2020
	HK$'000	*HK$'000*
	(Unaudited)	*(Audited)*
Korea	**103,037**	72,354
The PRC	**46,532**	41,330
Japan	**67,471**	66,537
The USA	**94,148**	77,806
Taiwan	**27,547**	19,343
Others	**11,942**	15,378
	350,677	292,748

	Non-current assets	
	2021	2020
	HK$'000	*HK$'000*
	(Unaudited)	*(Audited)*
The PRC	**47,559**	58,262
Hong Kong	**19,257**	18,418
Others	**5,125**	2,004
	71,941	78,684

Information about major customers

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

	2021	2020
	HK$'000	*HK$'000*
	(Unaudited)	*(Audited)*
Customer A[1]	**56,776**	57,709
Customer B[2]	**72,415**	56,926
Customer C[2]	**46,902**	32,885

1 Revenue from Retail distributor

2 Revenue from OEM customer

6. DISCONTINUED OPERATION

On 22 October 2021, Dongguan Asia Link Technology Limited, a subsidiary of the Group was disposed, the date on which control of the company was passed to the acquirer. The profit/(loss) for the year from the discontinued operation, which have been included in the consolidated statement of profit or loss and other comprehensive income is analysed as follows:

	For the period from 1 January 2021 to 22 October 2021	For the year ended 31 December 2020
	HK$'000	*HK$'000*
	(Unaudited)	*(Audited)*
Revenue	**—**	—
Cost of sales and services rendered	**(19,673)**	(124,321)
Gross loss	**(19,673)**	(124,321)
Other income	**24,367**	3,125
Other gains and losses	**—**	2,310
Selling and distribution expenses	**(5)**	(1,293)
Administrative expenses	**(2,115)**	(1,751)
Profit/(loss) before taxation	**2,574**	(121,930)
Income tax expenses	**—**	(1,603)
Profit/(loss) for the year (attributable to owners of the Company)	**2,574**	(123,533)

7. 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. The Company subsidiaries operating in the PRC 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, 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 31 December 2020 and further granted for a reduced enterprise income tax rate of 15% starting from 1 January 2021 to 31 December 2025. The concessionary tax rates has been concluded at the end of 2020.

Also, certain subsidiaries operating in the PRC were accredited as "Cultural Innovation Enterprise" by the local tax authorities and were registered with the local tax authorities to be eligible to the reduced 15% enterprise income tax rate for a period of four years from 2017 to 2020 inclusive. As a result, the tax rate of 15% is used to calculate the amount of current taxation.

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

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

Continuing operations

	2021 ***HK$'000*** ***(Unaudited)***	2020 *HK$'000* *(Audited)*
PRC Enterprise Income Tax		
— current tax	**3,072**	1,198

Discontinued operations

	2021 ***HK$'000*** ***(Unaudited)***	2020 *HK$'000* *(Audited)*
PRC Enterprise Income Tax		
— current tax	**—**	1,603

8. PROFIT BEFORE TAXATION

	2021 *HK$'000* *(Unaudited)*	2020 *HK$'000* *(Audited)*
Continued operations		
Profit before taxation has been arrived at after charging/(crediting):		
Directors' remuneration	**3,769**	4,466
Other staff costs		
– Salaries and other benefits	**83,346**	62,118
– Retirement benefits scheme contributions	**2,668**	1,864
Total staff costs	**89,783**	68,448
Auditor's remuneration	**1,100**	1,400
Cost of inventories recognised as expenses	**283,093**	51,459
Depreciation		
– Property, plant and equipment	**4,994**	3,037
– Right-of-use assets included land use rights and buildings	**3,110**	1,443
Interest expenses on lease liabilities	**839**	49
Provision of allowance for credit losses	**4,964**	1,866
Rental expenses for short-term leases	**1,961**	2,327
Reversal of allowance for inventories (included in cost of sales and services rendered)	**7,684**	(2,324)
Items included in other income:		
Interest income on bank deposits	**(217)**	(625)
Rental income	**(1,835)**	(1,997)
Government subsidies (Note)	**—**	(854)
Tooling and sampling	**(832)**	(1,114)
Items included in other gains and losses:		
Net foreign exchange (gains)/losses	**(4,400)**	945
Loss/(gain) on effect of lease modification	**2,619**	(9)
Gain on disposal of property, plant and equipment	**—**	240
Gain on disposal of a subsidiary	**90,165**	—

Note: The amount represents salaries and wage subsidies granted under (i) Anti-epidemic Fund by the Government of the Hong Kong Special Administrative Region for the use of paying wages of employees of HK$777,000 and (ii) Employment Support Scheme provided by the PRC government of HK$77,000 for the prior financial year.

9. DIVIDENDS

No dividend has been proposed by the Directors in respect of the year ended 31 December 2021 (2020: Nil).

10. EARNINGS/(LOSS) PER SHARE

For continuing and discontinued operations

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

Earnings

	2021	2020
	HK$'000	*HK$'000*
	(Unaudited)	*(Audited)*
Earnings/(loss) for the purpose of calculating basic and diluted earnings/(loss) per share for the year attributable to owners of the Company	**44,243**	(4,576)

Number of shares

	2021	2020
	'000	*'000*
	(Unaudited)	*(Audited)*
Weighted average number of ordinary shares in issue	**704,000**	678,255

There are no potential dilutive shares in issue during both year ended 31 December 2021 and 2020.

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

For continuing operations

	2021	2020
	HK$'000	*HK$'000*
	(Unaudited)	*(Audited)*
Earnings/(losses) for the purpose of calculating basic earnings per share (profit/(loss) for the year attributable to owners of the Company)	**44,243**	(4,576)
Less: (Profit)/loss for the year from discontinued operation	**(2,574)**	123,533
Earnings for the purpose of per share from continuing operations	**41,669**	118,957

The denominators used are the same as those detailed above for basic earnings per share.

For discontinued operation

Basic profit per share for the discontinued operation is HK0.37 cents per share (2020: HK(18.21) cents loss per share), based on the profit for the year from discontinued operation of HK$2,574,000 (2020: HK$123,533,000 loss for the year from discontinued operation) and the denominators detailed above for the basic earnings per share.

11. TRADE AND OTHER RECEIVABLES

	2021	2020
	HK$'000	*HK$'000*
	(Unaudited)	*(Audited)*
Trade receivables		
— sales of connectivity products	**82,913**	51,886
— provision of comprehensive architectural services	**8,553**	6,043
	91,466	57,929
Less: Allowance for impairment	**(6,886)**	(6,170)
	84,580	51,759
Prepayments	**5,960**	10,508
Refundable rental deposits paid	**2,806**	418
Value added tax receivables	**26,383**	4,441
Others	**88,489**	2,158
	123,638	17,525
Less: Allowance for impairment	**(1,389)**	—
	122,249	17,525
	206,829	69,284

The following is an aged analysis of trade receivables net of allowance for credit losses, presented based on the invoice dates at the end of the reporting period.

	Provision of comprehensive architectural services		**Sales of connectivity products**	
	2021	2020	**2021**	2020
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(Unaudited)	*(Audited)*	***(Unaudited)***	*(Audited)*
0–30 days	**124**	996	**32,618**	18,962
31–120 days	**378**	1,169	**45,232**	29,221
121–180 days	**5,136**	547	**954**	110
Over 180 days	**—**	706	**138**	48
	5,638	3,418	**78,942**	48,341

12. TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

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

The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period:

	2021	2020
	HK$'000	*HK$'000*
	(Unaudited)	*(Audited)*
Trade payables		
Within 30 days	**33,169**	13,247
31–90 days	**23,289**	21,535
91–150 days	**4,363**	7,524
Over 150 days	**7,170**	3,092
	67,991	45,398
Staff salaries and welfare payables	**12,072**	12,856
Refundable rental deposits received	**—**	260
Value added tax payables and other tax payables	**855**	1,421
Accrued operating expenses	**11,063**	18,201
Others	**59,178**	625
	83,168	33,363
	151,159	78,761

13. SHARE CAPITAL

	Number of shares *'000*	Share capital *HK$'000*
Ordinary shares of HK$0.01 each		
Authorised:		
At 1 January 2020, 31 December 2020, 1 January 2021 and 31 December 2021	10,000,000	100,000
Issued and fully paid:		
At 1 January 2020	640,000	6,400
Issue of new shares	64,000	640
At 31 December 2020, 1 January 2021 and 31 December 2021	704,000	7,040

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 is net of related issued costs and expenses.

Following the completion of the placing of shares on 22 June 2020, the amounts of HK$640,000 and HK$5,438,000 were credited to the Company's share capital and share premium account respectively.

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 focuses on master-planning work, general design work and architectural schematic design work (the "**Architectural Design Business**").

On 16 June 2021, the Group entered into an agreement with Shenzhen Hengguan, an independent third party, to sell the entire equity interest in a subsidiary of the Group in the PRC at a consideration of RMB101,000,000. The Group obtained its shareholders' approval on 20 October 2021 via a resolution at a special general meeting and the said subsidiary ("**DAL**") ceased to be a subsidiary of the Company then. The following management discussion and analysis mainly focuses on our Continuing Operations. DAL is classified as Discontinued Operation and presented separately as a single line item.

FINANCIAL REVIEW

Revenue

The Electronics Business

During year ended 31 December 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 efficiency 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 Year. This business segment contributed revenue of approximately HK$317.2 million to the Group during the Year (PY2020: approximately HK$261.6 million), representing an increase of approximately 21.3% as compared with PY2020.

The Architectural Design Business

During PY2020, the outbreak of COVID-19 caused suspension of our design projects in the PRC. With the PRC real estates market being affected by the aftermath of COVID-19 pandemic, this business segment contributed revenue of approximately HK$33.4 million during the Year (PY2020: approximately HK$31.1 million), representing an increase of approximately 7.4% as compared with PY2020. On top of an observed slow recovery from COVID-19, this segment is also affected by the crises experienced by its customers', the China real estate developers', high debt level and liquidity issues. The Directors are monitoring the issues closely and remaining cautiously optimistic to the results of the Architectural Design Business in the future.

The Group recorded a total turnover of approximately HK$350.7 million for the Year (PY2020: approximately HK$292.7 million), representing an increase of approximately 19.8% as compared with PY2020.

Gross profit

The Group recorded a gross profit of approximately HK$40.5 million for the Year, representing a decrease of approximately 76.3% as compared to approximately HK$171.0 million for PY2020 (re-presented). This was mainly attributable to the global supply chain disruption and surge in raw material prices for our Electronics Business. The gross profit margin decreased from approximately 58.4% (re-presented) for PY2020 to approximately 11.6% for the Year.

Other income

The Group earned other income of approximately HK$7.5 million during the Year (PY2020: approximately HK$5.3 million (re-presented) or approximately HK$8.4 million (audited)). There was a slight decrease in rental income received and government subsidies for the Year as compared to PY2020.

Other gains and losses and material disposal of subsidiary

On 16 June 2021, the Group entered into an agreement with Shenzhen Hengguan, an independent third party, the entire equity interest of DAL at a consideration of RMB101,000,000 (equivalent to approximately HK$122,210,000). The results attributable to the production lines of DAL for the period between 1 January 2021 to 20 October 2021, have been presented separately, in the unaudited consolidated statement of profit or loss and other comprehensive income. The Group obtained its shareholders' approval on 20 October 2021 via a resolution at a special general meeting. Accordingly, a gain on the said disposal transaction of approximately HK$90.0 million was recorded in other gains and losses.

Saved as disclosed above, there were no other significant acquisition or disposal of subsidiary during the Year.

Finance costs

During the Year, as the Group raised new borrowings for working capital, the Group recorded interest expenses of approximately HK$0.9 million (PY2020: Nil).

Selling and distribution expenses

The selling and distribution expenses were approximately HK$8.5 million for the Year (PY2020: approximately HK$6.0 million (re-presented)), increased by 41.7%, 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 in the Electronic Business during Year compared to PY2020.

Administrative expenses

The administrative expenses were approximately HK$77.1 million for the Year (PY2020: approximately HK$46.0 million (re-presented)), representing an increase of approximately 67.6%. The increase was mainly attributable to the increase in professional expenses incurred for financing activities, corporate action in relation to the very substantial disposal transaction in the fourth quarter of the Year, and certain corporate restructuring activities in Taiwan, despite management continuous attention on overhead cost control.

Income tax expenses

The Group recorded an income tax expenses of approximately HK$3.1 million for the Year (PY2020: HK$1.2 million (re-presented)).

Net profit/(loss) attributable to owners of the Company

The Group reported a net profit attributable to owners of the Company for the Year of approximately HK$51.9 million (PY2020: net loss of approximately HK$4.6 million (re-presented)), increased by approximately 12.28 times. This was mainly attributable to gain on disposal but partially offset by the significant reduction in our gross margin arising from the global supply chain disruption, particularly on the IC Chips components on our electronic products, and surge in raw material prices, particularly in copper price.

Earnings/loss per share

The basic and diluted earnings per share for the Year was approximately HK$1.77 cents (PY2020: basic and diluted losses per share approximately HK$0.65 cents (re-presented)).

Liquidity and financial resources

As at 31 December 2021, the Group's net current assets, cash and bank balances and equity attributable to owners of the Company amounted to approximately HK$121.4 million, HK$84.1 million and HK$178.6 million (2020: approximately HK$55.4 million, HK$56.4 million and HK$133.7 million) respectively. The current ratio of the Group as at 31 December 2021, expressed as current assets over current liabilities, was maintained at the level of approximately 1.52 (2020: approximately 1.45).

Debts and Charge on Assets

During the Year, the Group raised new borrowings, in the form of bank loans and unsecured borrowings for working capital replenishment. As at 31 December 2021, the outstanding amount was approximately HK$51.7 million. The Group pledged its investment properties in Hong Kong and certain property and plant in the PRC held for use in the production and supply of goods, to secure the bank loans granted to the Group. Save as disclosed above, as at 31 December 2021, no other assets of the Group were charged. The Group had no interest-bearing debt nor any asset pledged as at 31 December 2020.

Capital Expenditures and Capital Commitments

The Group did not have material capital expenditures and commitments as at 31 December 2021.

Capital Structure

The Company did not run any capital exercise during the Year.

OUTLOOK

The Electronics Business

The supply chain disruption and inflation of raw material prices resulting from the Covid-19 pandemic has negatively impacted the bottom line of the Electronics Business and restricting the execution and implementation of various plans and visions, including the geographical diversification of our production lines and supply chains. The Directors will continue to maintain close communication with customers and suppliers in order to sustain the overall profitability of the Electronics Business. In the meantime, the Directors may also venture on the expansion and commencement of the multi-faceted initiatives should the macro-economy condition stablised and opportunities materialise.

Subsequent to the Year just ended, the Group has acquired companies which are (i) specialised in assisting enterprises in mergers and acquisitions, restructuring, overseas listing and financing and plans to develop distressed asset management and principal investment in the PRC; (ii) licensed by the Insurance Authority to provide insurance brokerage and wealth management services including asset management, private banking, financing and trust and estate management services; and (iii) registered with the Mandatory Provident Fund Schemes Authority to provide mandatory provident fund and related intermediary services for enterprises and individual. The Directors intend to explore any potential business or investment opportunities in the fields of finance and technology, acquire a licensed corporation registered with the Securities and Futures Commission of Hong Kong to carry on Type 4 (advising on securities) and Type 9 (asset management) regulated activities which also holds a PRC private equity fund company engaged in fund issuance, asset management and equity investment to develop cross-border venture investment and fund management business with a view to promoting science park, intellectual properties rights and related advanced technology in the Guangdong-Hong Kong-Macao Greater Bay Area.

In the upcoming year 2022, the Directors will continue the Group's a multi-faceted plan to increase the shareholders' value and re-invest the available resources to maximize asset utilization and value and merger and acquisition activities and strategic partnerships.

The Architectural Design Business

With our brilliant design products and strong marketing channels in the PRC, the Group is in the process of strengthening our new services, a living aesthetic consulting service which combined interior design-based services and sales of electronic interior accessories under our own brand name. During the Year, we have commenced the collaboration of the Architectural Design Business and the Electronics Business, initial research and development on the design and production process of the electronic accessories.

Riding on the trend of "Internet plus cultural creativity", the Group targets to offer a thorough one-stop integrated design services by enhancing the Internet interactive platform with users.

Subsequent to the Year just ended, PT Design (QH) Limited) ("**PT Design**"), an indirectly wholly owned-subsidiary of the Company, and Beiwen Times (Beijing) Culture Limited ("**Beiwen Times**") have entered into an exclusive strategic cooperation agreement (the "**Agreement**") in relation to the establishment of a strategic cooperation partnership in digital cultural industry in order to form industrial alliances and achieve business synergies after extensive communication and exchange. Beiwen Times has been involving in a number of cultural projects located in various first- and second-tier cities in the PRC including Beijing, Shenzhen, Guangzhou, Wuhan, Chengdu, Suzhou and Changchun. These projects, which are either in operation or under preparation, will generally involve investment from local cities and participation of local state-owned enterprises. The Directors consider these projects will warrant sufficient demand for the Group's design services. In addition, with the extensive resources and operation and management experiences of Beiwen Times in the cultural industry, the corporation under the Agreement will promote the development of the Group's design services and achieve mutual benefits.

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.

PROPOSED CHANGE OF COMPANY NAME

Reference is made to the circular of the Company dated 9 March 2022 (the "**Circular**") and the announcements of the Company dated 28 February 2022, 21 March 2022 and 29 March 2022 (the "**Announcements**"). Unless otherwise defined herein, capitalized terms used in this section shall have the same meanings as those defined in the Circular and the Announcements.

The Board has proposed to change the English name of the Company from "**GLORY MARK HI-TECH (HOLDINGS) LIMITED**" to "**China United Venture Investment Limited**" and to change the Chinese secondary name of the Company from "**輝煌科技(控股)有限公司**" to "**新華聯合投資有限公司**".

The Board is of the view that the Proposed Change of Company Name will clearly reflect the future strategic positioning and business development of the Group, and the Board believes that the new corporate image of the Company will be beneficial to the current and future business expansion and brand building of the Group. Accordingly, the Board considers the Proposed Change of Company Name in the interest of the Company and its shareholders as a whole.

The proposed change of Company name was approved in the SGM on 29 March 2022 and will take effect from the date of registration as set out in the certificate of incorporation on change of name and the certificate of secondary name issued by the Registrar of Companies in Bermuda. The Company will then carry out the necessary filing procedures with the Companies Registry in Hong Kong.

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. 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 that they had compiled with the required standard of dealings and the code of conduct regarding securities transactions by directors adopted by the Company during the Year. 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 the independent non-executive Directors independent.

AUDIT COMMITTEE

As at the date of this announcement, the Audit Committee comprises three independent non-executive Directors, namely Dr. Yan Ka Shing (Chairman), Dr. Fong Chi Wai, Alex and Mr. Xu Lin.

The primary duties of the Audit Committee are mainly to make recommendations to the Board on the appointment and removal of external auditor, review and supervise the financial reporting process and internal control procedure of the Company. The Audit Committee has reviewed the unaudited annual results of the Group for the Year.

REVIEW OF UNAUDITED ANNUAL RESULTS

As at the date of this announcement, the auditing process for the annual results of the Group for the Year has not been completed due to the implementation of the COVID-19 pandemic prevention and control quarantine measures in certain cities in the PRC, leading to incomplete audit procedures such as, including but not limited to, unable to receive audit confirmation letters from banks located in the relevant region(s) in the PRC. The unaudited annual results contained herein have not been agreed with the Company's auditor as required under Rule 18.49 of the GEM Listing Rules. The Company expects that the audit of the consolidated financial statements of the Group for the Year will be completed soon and that the annual report of the Company for the Year will be despatched to the Shareholders as and when appropriate, in accordance with the GEM Listing Rules and, in any event, not later than 15 May 2022. Following the completion of the auditing process, the Company will issue further announcement(s) in relation to (i) the audited results of the Company for the Year as agreed with the Company's auditor and the material differences (if any) as compared with the unaudited consolidated financial statements contained herein, (ii) the proposed date on which the forthcoming annual general meeting of the Company will be held, and (iii) the period during which the register of members of the Company holding ordinary shares will be closed in order to ascertain shareholders' eligibility to attend and vote at the said meeting.

FURTHER ANNOUNCEMENT(S)

Following the completion of the auditing process, the Company will issue further announcement(s) in relation to the audited annual results of the Group for the Year as agreed by the Company's auditor and the material differences (if any) as compared with the unaudited annual results contained herein. In addition, the Company will issue further announcement(s) as and when necessary if there are other material developments in the completion of the auditing process. Upon completion of audit procedures, the Company will publish the 2021 Audited Annual Results as agreed with Auditor and the Company expects the auditing process will be completed on or before 30 April 2022.

FINAL DIVIDEND

The Directors do not recommend the payment of a final dividend for the Year (PY2020: Nil).

On behalf of the Board
Wang Li Feng
Vice Chairman and Executive Director

Hong Kong, 31 March 2022

As at the date of this announcement, the executive Directors are Mr. Wang Li Feng, Mr. Yu Sanlong, Mr. Fan Xiaoling, Ms. Lee Jui-lan, Dr. Chen Xiaofeng and Mr. Ni Xian; the non-executive Director is Mr. Huang Bin; and the independent non-executive Directors are Dr. Fong Chi Wai, Alex, Dr. Yan Ka Shing, Mr. Wu Lebin and Mr. Xu Lin.

This announcement will remain on the "Latest Listed Company Information" 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.