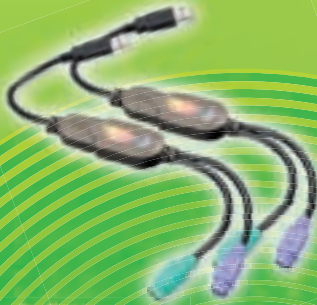
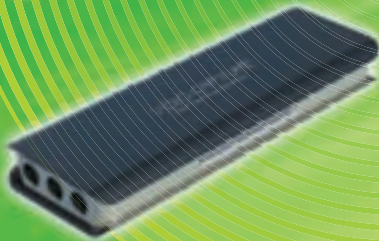




GLORY MARK HI-TECH (HOLDINGS) LIMITED
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 8159)



Third Quarterly Report 2007



Characteristics of The Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”)

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

The principal means of information dissemination on GEM is publication on the internet website operated by the Stock Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website in order to obtain up-to-date information on GEM-listed issuers.

The Stock Exchange takes no responsibility for the contents of this report, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.

This report, for which the directors of Glory Mark Hi-Tech (Holdings) Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange (“GEM Listing Rules”) for the purpose of giving information with regard to the Company. The directors of the Company (the “Directors”) having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this report is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this report misleading; and (3) all opinions expressed in this report have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

The Board of Directors of Glory Mark Hi-Tech (Holdings) Limited (the “Company”) is pleased to announce the unaudited condensed consolidated financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) for the three months and nine months ended 30 September 2007 together with the comparative unaudited figures for the corresponding periods in 2006 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT — UNAUDITED

For the three months and nine months ended 30 September 2007

	Notes	Three months ended 30 September		Nine months ended 30 September	
		2007 HK\$'000 (Unaudited)	2006 HK\$'000 (Unaudited)	2007 HK\$'000 (Unaudited)	2006 HK\$'000 (Unaudited)
Turnover	3	155,233	98,790	387,015	268,361
Cost of sales		(139,614)	(84,246)	(343,445)	(228,198)
Gross profit		15,619	14,544	43,570	40,163
Other operating income		128	985	3,683	2,914
Selling and distribution expenses		(2,907)	(2,801)	(7,899)	(7,779)
Administrative expenses		(6,630)	(5,937)	(20,353)	(18,459)
Bank overdraft interest		—	(1)	—	(2)
Profit before taxation	5	6,210	6,790	19,001	16,837
Taxation	6	(1,608)	(735)	(3,611)	(1,929)
Profit for the period		4,602	6,055	15,390	14,908
Dividend	7	—	—	—	—
Earnings per share Basic	8	HK1.44 cents	HK1.89 cents	HK4.81 cents	HK4.66 cents

Notes :

1. General and Basis of Presentation

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law (2001 Second Revision) of the Cayman Islands.

The Company acts as an investment holding company.

The unaudited quarterly consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Chapter 18 of the GEM Listing Rules of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") 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 quarterly consolidated financial statements 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 2006.

3. Turnover

Turnover represents the amounts received and receivable, net of discounts and returns, from the sale 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.

4. Segment Information

The Group is principally engaged in the design, development, manufacture and sale of connectivity products mainly for computers, computer peripheral products, multi-media consumable electronics products, communication products, automobile electronics accessories, wire harness and medical equipments. The majority of the Group's products are sold to original equipment manufacturer ("OEM") customers and retail distributors. These businesses to OEM customers and retail distributors are the basis on which the Group reports its primary segment information.

4. Segment Information (Continued)
Business segments

	Three months ended 30 September				Nine months ended 30 September			
	2007		2006		2007		2006	
	HK\$'000 (Unaudited)	%	HK\$'000 (Unaudited)	%	HK\$'000 (Unaudited)	%	HK\$'000 (Unaudited)	%
OEM customers	127,103	81.9	81,392	82.4	306,868	79.3	202,561	75.5
Retail distributors	28,130	18.1	17,398	17.6	80,147	20.7	65,800	24.5
	155,233	100.0	98,790	100.0	387,015	100.0	268,361	100.0

Geographical segments

Sales analysis by geographical customer market:

	Three months ended 30 September				Nine months ended 30 September			
	2007		2006		2007		2006	
	HK\$'000 (Unaudited)	%	HK\$'000 (Unaudited)	%	HK\$'000 (Unaudited)	%	HK\$'000 (Unaudited)	%
Taiwan	84,992	54.7	39,217	39.7	191,382	49.5	98,596	36.7
Korea	12,211	7.9	21,090	21.3	37,087	9.6	48,211	18.0
Japan	20,005	12.9	17,756	18.0	66,297	17.1	59,305	22.1
United States of America ("U.S.A.")	29,927	19.3	15,507	15.7	71,767	18.5	42,487	15.8
Others	8,098	5.2	5,220	5.3	20,482	5.3	19,762	7.4
	155,233	100.0	98,790	100.0	387,015	100.0	268,361	100.0

5. Profit before Taxation

Profit before Taxation has been arrived at after charging:

	Three months ended 30 September		Nine months ended 30 September	
	2007	2006	2007	2006
	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)
Depreciation and amortisation	2,370	1,487	6,450	3,793
Loss on disposal of property, plant and equipment	—	—	—	196

6. Taxation

The amount represents current tax charge on assessable profits arising in jurisdiction other than Hong Kong and is calculated at the rates prevailing in the relevant jurisdiction.

No provision for Hong Kong Profits Tax has been made in the condensed consolidated financial statements, as the Group has no assessable profit in Hong Kong for the period.

No provision for deferred taxation has been made in the condensed consolidated financial statements, as there were no material timing differences arising during the period and at the balance sheet date.

7. Dividend

The Directors do not recommend the payment of an interim dividend for the nine months ended 30 September 2007 (nine months ended 30 September 2006 — nil).

8. Earnings Per Share

The calculation of basic earnings per share for the three months and nine months ended 30 September 2007 is based on the consolidated profit attributable to shareholders of approximately HK\$4,620,000 and HK\$15,390,000 respectively (three months and nine months ended 30 September 2006: HK\$6,055,000 and HK\$14,908,000 respectively) and on the weighted average number of 320,000,000 shares (2006: 320,000,000 shares).

9. Related Party Transactions

During the period under review, the Group entered into the following transactions with related parties:

Name of related party	Nature of transactions	Three months ended 30 September		Nine months ended 30 September	
		2007	2006	2007	2006
		HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)
Glory Mark Enterprises Limited ("GM Enterprises")	Rental paid (Note a)	63	63	189	189
Glory Mark Electronic Limited (incorporated in Taiwan) ("GM Taiwan")	Rental paid (Note a)	35	36	107	110
San Chen Company ("San Chen")	Rental paid (Note a)	35	36	107	110
Directors	Remuneration	1,501	1,374	4,502	4,160

9. Related Party Transactions (Continued)

Note:

- (a) These transactions were based on amounts agreed between the parties concerned.

Mr. Steve Pang Kuo Shi ("Mr. Pang"), Mr. Wong Chun and Mr. Hsia Chieh-Wen, the directors and the shareholders of the Company, together hold 100% interest in GM Enterprises and 79% interest in GM (Taiwan). Mr. Pang holds 40% interest in San Chen.

10. Reserves

	Merger Reserve	Translation reserve	Accumulated profits	Total
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
At 1 January 2006	680	398	79,633	80,711
Exchange gain on translation of overseas operations not recognized in income statement	—	1,044	—	1,044
Profits for the period	—	—	16,316	16,316
Final dividend for 2005	—	—	(4,800)	(4,800)
At 30 September 2006	680	1,442	91,149	93,271
At 1 January 2007	680	2,864	96,380	99,924
Exchange gain on translation of overseas operations not recognized in income statement	—	1,723	—	1,723
Profits for the period	—	—	15,390	15,390
Final dividend for 2006	—	—	(4,800)	(4,800)
At 30 September 2007	680	4,587	106,970	112,237

MANAGEMENT DISCUSSION AND ANALYSIS

Period in review

Turnover and profit

The turnover of the Group for the nine months ended 30 September 2007 (“the period under review”) recorded approximately HK\$387.0 million (nine months ended 30 September 2006: approximately HK\$268.4 million), up 44.2% as compared to the period under review.

The turnover to OEM customers and retail distributors during the period under review increased by 51.5% and 21.8% respectively as compared to the last corresponding period. During the period under review, the Group continuously succeeded in creating business with Taiwan and USA OEM customers.

The turnover to Taiwan, Japan, U.S.A. and the other regions increased by 94.1%, 11.8%, 68.9% and 3.6% respectively whereas the turnover to Korea decreased by 23.1% as compared to the last corresponding period.

The gross profit and gross profit margin of the Group for the period under review were approximately 43.6 million and 11.3% (nine months ended 30 September 2006: approximately HK\$40.2 million and 15.0% respectively). During the period under review, the unfavourable factors such as soaring material costs, substantial increase in labour rates, the appreciation of Renminbi and the deduction of value-added tax refund rate by PRC Government cut the gross profit margin of the Group.

The net profit of the Group for the period under review was approximately HK\$15.4 million (nine months ended 30 September 2006: HK\$14.9 million). The increase in net profit of the Group was mainly attributable to the increase in sales volume and tight cost control in fixed overhead.

Production capacity and capability

The new factory at Tangxia Town is in full operation, where high value-added products are manufactured.

The constructing factory at Fogang will commence operation at the end of this year. With everything set and ready to go, the Group is optimistic that the new factory at Fogang will help improve the cost position of the Group in the long run.

At 30 September 2007, the Group had 3,270 (2006: 3,139) employees.

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

Liquidity and financial resources

As at 30 September 2007, the Group's net current assets, cash and bank balances and shareholders' funds amounted to approximately HK\$62.9 million, HK\$35.3 million and HK\$144.2 million respectively (nine months ended 30 September 2006: HK\$65.5 million, HK\$42.5 million and HK\$123.9 million respectively). The current ratio, expressed at current assets over current liabilities, was 1.34 (nine months ended 30 September 2006: 1.57). The Group had no interest bearing debt at 30 September 2007.

OUTLOOK

Presently, the soaring of material and labour cost in the PRC and the appreciation of Renminbi continuously post great challenge to the Group. In view of the magnitude of the adverse effect, the Group is unlikely to completely eliminate the influence by enhancing its operating efficiency or sharing the increased costs with our customers. It is anticipated that these adverse external economic factors will continue affect the gross profit margin of the Group in the coming quarters.

Looking ahead, the Directors have a reserved view to the results of the Group in the coming quarters.

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

As at 30 September 2007, the interests and short positions of the Directors, the chief executive and their associates in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Division 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have taken under such provisions of SFO), or which were required, pursuant to section 352 of the SFO, to be entered into the register referred to therein, or which were required, pursuant to Rules 5.46 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

(a) Ordinary shares of HK\$0.1 each of the Company

Name of Director	Capacity	Number of Issued Ordinary Shares held	Percentage of Issued share capital of the Company
Mr. Pang Kuo-Shi ("Mr. Pang")	Held by family trust (Note 1)	139,808,000	43.69%
Mr. Wong Chun ("Mr. Wong")	Beneficial owner	58,447,000	18.26%
Mr. Hsia Chieh-Wen ("Mr. Hsia")	Beneficial owner	34,944,000	10.92%
		233,199,000	72.87%

Note:

- (1) The 139,808,000 shares were held by Modern Wealth Assets Limited. Modern Wealth Assets Limited, a wholly-owned subsidiary of True Profit Management Limited, which in turn is a wholly-owned subsidiary of HSBC International Trustee Limited, the trustee of a discretionary trust, Mr. Pang's Family Trust.

Save as disclosed above, as at 30 September 2007, none of the Directors or the chief executive, nor their associates had any interests or short positions in any shares, underlying shares or debenture of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Division 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have taken under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered into the register referred to therein, or which were required, pursuant to Rules 5.46 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

SHARE OPTION SCHEMES

On 13 December 2001, the Directors approved Post-IPO Share Option Scheme and Pre-IPO Share Option Scheme (the "Schemes"). The summary of the terms of the Schemes has been set out in Appendix IV of the Prospectus of the Company dated 18 December 2001 under the section headed "Share Option Schemes". On 13 December 2001, the Directors granted options to subscribe for an aggregate of 32,000,000 ordinary shares of the Company and were outstanding.

As at 1 January 2007, all Pre-IPO Share Options had been lapsed.

The Directors may consider granting share options to the eligible persons under the approved Post-IPO Share Option Scheme at appropriate times.

SUBSTANTIAL SHAREHOLDERS

Other than the interests disclosed under the section headed "Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures" above, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO discloses no person as having a notifiable interest or short position in the issued share capital of the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO at 30 September 2007.

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 nine months ended 30 September 2007, they have complied with the required standards of dealings and the Company's code of conduct regarding directors' securities transactions.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's-by-laws or the laws of Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

INTERESTS IN COMPETITORS

During the period under review, none of the Directors or the management shareholders of the Company or their respective associates of the Company had an interest in a business, which competes or may compete with the business of the Group.

CONNECTED TRANSACTIONS AND DIRECTORS' INTERESTS IN CONTRACTS

Save as disclosed in note 9 above:

- (i) there were no transactions, which need to be disclosed as connected transactions in accordance with the requirements of the GEM Listing Rules of the Stock Exchange; and
- (ii) no contract of significance to which the Company or any of its subsidiaries was a party and in which a Director of the Company had a material interest, whether directly or indirectly, subsisted at the end of or at any time during the period.

CORPORATE GOVERNANCE

The Company has complied throughout the nine months ended 30 September 2007 with the code provisions set out in the Code on Corporate Governance Practices contained in Appendix 15 of the GEM Listing Rules, save for code provision A.4.1 which provides that non-executive directors should be appointed for specific term, subject to re-election. The Company has deviated from this provision in that all non-executive directors of the Company are not appointed for specific term. They are, however, subject to retirement and re-election every three years. The reason for the deviation is that the Company does not believe that arbitrary term limits on directors' service are appropriate given that directors ought to be committed to representing the long term interests of the Company's shareholders and the retirement and re-election requirements of non-executive directors have given the Company's shareholders the right to approve continuation of non-executive Directors' offices.

AUDIT COMMITTEE

The Audit Committee of the Company comprises three members, Mr. Lau Ho Kit, Ivan, Dr. Hon. Lui Ming Wah, S.B.S., JP and Mr. Wong Kwong Chi, who are independent non-executive Directors. The primary duties of the Audit Committee are to review and supervise the financial reporting and internal control procedures of the Company. The unaudited third quarterly results presented herein has been reviewed by the Audited Committee, which has provided advice and comments thereon.

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's shares during the period under review.

On behalf of the Board

Pang Kuo-Shi

Chairman

Hong Kong Special Administrative Region of the People's Republic of China
13 November 2007

As at the date of this report, the board of Directors comprises Messrs. Pang Kuo-Shi also known as Steve Pang, Wong Chun, Hsia Chieh-Wen also known as Paul Hsia and Wong Ngok Chung being Executive Directors and Dr. Hon. Lui Ming Wah, S.B.S., JP, Mr. Lau Ho Kit, Ivan and Mr. Wong Kwong Chi being Independent Non-Executive Directors.