



GLORY MARK HI-TECH (HOLDINGS) LIMITED

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

Stock Code: 8159



2021
THIRD QUARTERLY REPORT

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(THE “EXCHANGE”)**

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*This report, for which the directors (the “**Directors**”) of the 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 report 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 report misleading.*

THIRD QUARTERLY 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 “**Third Quarter**”) and nine months (the “**Nine-month Period**”) ended 30 September 2021 (collectively the “**Periods**”) together with the comparative unaudited figures for the corresponding periods in 2020 (the “**Corresponding Previous Period**”) below.

During the Nine-month Period, the Group entered into a sale and purchase agreement to dispose a subsidiary which carried out some of the Group’s electronic manufacturing activities. The Group obtained its shareholders’ approval on 20 October 2021 via a resolution at a special general meeting subsequent to the Nine-month period. Upon completion of the Disposal, 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 assets and liabilities attributable to this disposed subsidiary have been classified as a disposal group held for sale and are presented separately in the condensed consolidated statement of financial position as “discontinued operation”. As a result, the comparative unaudited figures for the corresponding periods in 2020 has also been re-presented to reflect the assets and liabilities attributable to this disposed subsidiary to the discontinued operation.

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

For the three months and nine months ended 30 September 2021

	Notes	Three months ended 30 September		Nine months ended 30 September	
		2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited) (Re-presented)	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited) (Re-presented)
Continued operations					
Revenue	3	86,072	75,683	249,861	232,406
Cost of sales and services rendered	7	(83,266)	(35,949)	(210,934)	(104,381)
Gross profit		2,806	39,734	38,927	128,025
Other income		18	6,225	2,159	8,023
Other gains and losses		192	(2,502)	239	(3,698)
Share of (loss)/profit of joint ventures		(2,371)	614	(6,105)	1,151
Finance costs		(549)	—	(549)	—
Selling and distribution expenses		(1,774)	(1,745)	(5,552)	(4,400)
Administrative expenses		(8,530)	(8,936)	(28,519)	(30,807)
(Loss)/profit before taxation	5,7	(10,208)	33,390	600	98,294
Income tax expenses	6	(974)	(662)	(885)	(1,091)
(Loss)/profit from continuing operations		(11,182)	32,728	(285)	97,203
Discontinued operation					
Loss from discontinued operation	7	(1,452)	(34,969)	(6,306)	(93,540)
(Loss)/profit for the period		(12,634)	(2,241)	(6,591)	3,663

	Three months ended 30 September		Nine months ended 30 September	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited) (Re-presented)	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited) (Re-presented)
Other comprehensive (expense)/income for the period:				
Item that may be reclassified subsequently to profit or loss: Exchange differences arising from translation of foreign operations	(337)	475	(3,342)	401
Total comprehensive (expense)/income for the period	<u>(12,971)</u>	<u>(1,766)</u>	<u>(9,933)</u>	<u>4,064</u>
(Loss)/profit for the period attributable to owners of the Company				
— From continuing operations	(11,170)	32,768	(131)	97,650
— From discontinued operation	(1,452)	(34,969)	(6,306)	(93,540)
	<u>(12,622)</u>	<u>(2,201)</u>	<u>(6,437)</u>	<u>4,110</u>
Loss for the period attributable to non-controlling interests				
— From continuing operations	(12)	(40)	(154)	(447)
— From discontinued operation	—	—	—	—
	<u>(12)</u>	<u>(40)</u>	<u>(154)</u>	<u>(447)</u>
Total comprehensive (expense)/income attributable to:				
— Owners of the Company	(12,959)	(1,726)	(9,779)	4,511
— Non-controlling interests	(12)	(40)	(154)	(447)
	<u>(12,971)</u>	<u>(1,766)</u>	<u>(9,933)</u>	<u>4,064</u>
(Loss)/earnings per share from continuing and discontinued operation				
— Basic and diluted	<u>(HK1.79 cents)</u>	<u>(HK0.32 cents)</u>	<u>(HK0.91 cents)</u>	<u>HK0.58 cents</u>
(Loss)/earnings per share from continuing operations				
— Basic and diluted	<u>(HK1.59 cents)</u>	<u>HK4.65 cents</u>	<u>(HK0.02 cents)</u>	<u>HK13.9 cents</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY —
UNAUDITED

For the nine months ended 30 September 2021

	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	—	—	—	—	4,110	4,110	(447)	3,663
Other comprehensive income	—	—	—	401	—	401	—	401
Total comprehensive income/ (expense) for the period	—	—	—	401	4,110	4,511	(447)	4,064
Issue of new shares (Note i)	640	5,438	—	—	—	6,078	—	6,078
At 30 September 2020 (Unaudited)	7,040	5,438	680	10,394	116,654	140,206	(392)	139,814
At 1 January 2021 (Audited)	7,040	5,438	680	12,554	107,968	133,680	(491)	133,189
Loss for the period	—	—	—	—	(6,437)	(6,437)	(154)	(6,591)
Other comprehensive expense	—	—	—	(3,342)	—	(3,342)	—	(3,342)
Total comprehensive expense for the period	—	—	—	(3,342)	(6,437)	(9,779)	(154)	(9,933)
At 30 September 2021 (Unaudited)	7,040	5,438	680	9,212	101,531	123,901	(645)	123,256

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 HK\$0.1 per placing share to not less than six independent places. 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.

Notes:

1. GENERAL AND BASIS OF PRESENTATION

The Company was incorporated in the Cayman Islands and continued in Bermuda with limited liability. The shares of the Company (the “**Shares**”) were listed on GEM of the Exchange on 4 January 2002. The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda and the principal place of business of the Company in Hong Kong is at Room 1033, 10/F., Central Building, 1-3 Pedder Street, Central, Hong Kong.

The unaudited condensed consolidated financial statements for the Nine-month Period 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 unaudited condensed consolidated financial statements in HK\$.

The Company acts as an investment holding company.

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

2. PRINCIPAL ACCOUNTING POLICIES

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

3. REVENUE

Sales of 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 equipment and subcontracting service rendered during the period under review.

Provision of comprehensive architectural services

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

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

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

4. SEGMENT INFORMATION

The Group determines its operating segments based on the reports regularly reviewed by the 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 three classes of customers, namely, original equipment manufacturer customers (“**OEM customers**”), retail distributors and provision of comprehensive architectural services (master-planning and general design).

The Group’s operating segments under HKFRS 8 are as follows:

Business segments

	Three months ended 30 September				Nine months ended 30 September			
	2021		2020		2021		2020	
	<i>HKS’000</i>	%	<i>HKS’000</i>	%	<i>HKS’000</i>	%	<i>HKS’000</i>	%
	(Unaudited)		(Unaudited)		(Unaudited)		(Unaudited)	
OEM customers	56,464	65.6%	44,559	58.9%	154,192	61.7%	121,773	52.4%
Retail distributors	24,371	28.3%	22,103	29.2%	76,902	30.8%	86,976	37.4%
Provision of comprehensive architectural services	5,237	6.1%	9,021	11.9%	18,767	7.5%	23,657	10.2%
	86,072	100.0%	75,683	100.0%	249,861	100.0%	232,406	100.0%

Geographical segments

Sales analysis by geographical customer market:

	Three months ended 30 September				Nine months ended 30 September			
	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	29,242	34.0%	24,685	32.6%	79,168	31.7%	54,564	23.5%
The United States	26,488	30.8%	18,396	24.3%	65,208	26.1%	64,536	27.8%
Japan	14,628	17.0%	13,073	17.3%	52,767	21.1%	49,968	21.5%
The People's Republic of China (the "PRC")	7,562	8.8%	12,004	15.9%	30,209	12.1%	31,212	13.4%
Taiwan	6,526	7.6%	4,075	5.4%	15,351	6.1%	18,573	8.0%
Others	1,626	1.8%	3,450	4.5%	7,158	2.9%	13,553	5.8%
	86,072	100.0%	75,683	100.0%	249,861	100.0%	232,406	100.0%

5. (LOSS)/PROFIT BEFORE TAXATION

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

	Three months ended 30 September		Nine months ended 30 September	
	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	1,619	1,684	4,780

6. INCOME TAX EXPENSE

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

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

No provision for deferred taxation has been made in the consolidated financial statements for the Nine-month period, as there were no material timing differences arising during the Nine-month period and at the end of the reporting period.

7. DISCONTINUED OPERATION

On 16 June 2021, the Group entered into a sale agreement to dispose of Dongguan Asia-Link Technology Ltd., which carried out all of the Group's electronic manufacturing activities.

The loss for the Periods from the discontinued operation is analysed as follows:

	Three months ended		Nine months ended	
	30 September		30 September	
	2021	2020	2021	2020
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue	—	—	—	—
Cost of sales and services rendered	(1,466)	(30,115)	(19,278)	(87,291)
Gross loss	(1,466)	(30,115)	(19,278)	(87,291)
Other gains and losses	(1,454)	(3,135)	(1,451)	(2,743)
Selling and distribution expenses	—	(514)	(6)	(1,136)
Administrative expenses	1,447	(647)	(318)	(1,065)
Loss before taxation	(1,473)	(34,411)	(21,053)	(92,235)
Income tax credit/(expenses)	21	(558)	14,747	(1,305)
Loss for the period (attributable to owners of the Company)	(1,452)	(34,969)	(6,306)	(93,540)

During the Nine-month period, the Group entered into a sale and purchase agreement with Shenzhen Hengguan Investment Development Co., Ltd. to dispose of the entire issued share capital of Dongguan Asia-Link Technology Ltd. (an indirect wholly-owned subsidiary of the Company) at a consideration of RMB101,000,000 (equivalent to approximately HK\$122,210,000). Negotiations with several interested parties have subsequently taken place. The assets and liabilities attributable to the production lines, which are expected to be sold within twelve months, have been classified as a disposal group held for sale and are presented separately in the condensed consolidated statement of financial position. The discontinued operation is included in the Group electronic activities for segment reporting purposes.

The proceeds of disposal are expected to exceed the net carrying amount of the relevant assets and liabilities and, accordingly, no impairment loss has been recognised on the classification of these operations as held for sale.

8. DIVIDEND

The Directors do not recommend the payment of any dividend for the Nine-month Period (the Corresponding Previous Period: nil).

9. (LOSS)/EARNINGS PER SHARE

For continuing and discontinued operations

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

Earnings

	Nine months ended 30 September	
	2021	2020
	HK\$'000	HK\$'000
Earnings for the purpose of calculating basic earnings per share ((loss)/profit for the period attributable to owners of the Company)	(6,437)	4,110

Number of shares

	Nine months ended 30 September	
	2021	2020
	'000	'000
Weighted average number of ordinary shares in issue	704,000	704,000

There are no potential dilutive shares in issue during both periods ended 30 September 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

	Nine months ended 30 September	
	2021 HK\$'000	2020 HK\$'000
Earnings for the purpose of calculating basic earnings per share ((loss)/profit for the period attributable to owners of the Company)	(6,437)	4,110
Less: Loss for the period from discontinued operation	(6,306)	(93,540)
(Loss)/earnings for the purpose of per share from continuing operations	(131)	97,650

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

For discontinued operation

Basic loss per share for the discontinued operation is HK0.90 cents per share (2020: HK13.3 cents loss per share), based on the loss for the period from discontinued operation of HK\$6,306,000 (2020: HK\$93,540,000 loss for the period from discontinued operation) and the denominators detailed above for the basic earnings per share.

10. EVENT AFTER THE REPORTING PERIOD

On 16 June 2021, the Group entered into an agreement with 深圳市恒冠投資發展有限公司 (Shenzhen Hengguan Investment Development Co., Ltd. *) (“**Shenzhen Hengguan**”), pursuant to which GM Electronic has conditionally agreed to sell and Shenzhen Hengguan has agreed to purchase the entire equity interest in 東莞亞聯科技電子有限公司 (Dongguan Asia-Link Technology Ltd.) (“**DAL**”) at a consideration of RMB101,000,000. (the “**Disposal**”). The Group obtained its shareholders’ approval on 20 October 2021 via a resolution at a special general meeting subsequent to the Nine-month period. Upon completion of the Disposal, DAL will cease to be a subsidiary of the Company and it is anticipated that the estimated gain on the Disposal in the circular dated 29 September 2021 will contribute a profit before tax of approximately HK\$ 90 million in the full year result of the Group for the year ending 31 December 2021.

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**”). On 16 June 2021, the Group entered into an agreement with Shenzhen Hengguan, pursuant to which GM Electronic has conditionally agreed to sell and Shenzhen Hengguan has agreed to purchase the entire equity interest in DAL 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 subsequent to the Nine-month period. Upon completion of the Disposal, DAL will cease to be a subsidiary of the Company. 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.

The Electronics Business

During the nine months ended 30 September 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 nine months ended 30 September 2021.

This business segment contributed revenue of approximately HK\$231.1 million to the Group during the nine months ended 30 September 2021 (PY2020: approximately HK\$208.7 million), representing an increase of approximately 10.7% as compared with the nine months ended 30 September 2020.

The Architectural Design Business

During 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\$18.8 million during the nine months ended 30 September 2021 (PY2020: approximately HK\$23.7 million), representing a decrease of approximately 20.7% as compared with PY2020. On top of an observed slow recovery from post COVID-19, this segment is also affected by the crises experienced by its downstream customers’, the China real estate developers’, high debt level and liquidity issues. The Directors are monitoring the issues closely and remain cautiously optimistic to the results of the Architectural Design Business in the future.

FINANCIAL REVIEW

The Group recorded a turnover of approximately HK\$249.9 million for the Nine-month Period (PY2020: approximately HK\$232.4 million), representing an increase of approximately 7.5% as compared with PY2020.

Gross profit

The Group recorded a gross profit of approximately HK\$38,900,000 for the Nine-month Period, representing a decrease of approximately 70.0% as compared to approximately HK\$128,025,000 in PY2020 (re-presented). This was mainly attributable to the global supply chain disruption and surge in raw material prices. The gross profit margin decreased from approximately 55.1% (re-presented) for PY2020 to approximately 15.6% for the Nine-month Period.

Other income

The Group earned other income of approximately HK\$2,159,000 during the Nine-month Period (PY2020: approximately HK\$8,023,000 (re-presented)), representing a decrease of approximately 73.1%.

Selling and distribution expenses

The selling and distribution expenses were approximately HK\$5,552,000 during the Nine-month Period (PY2020: approximately HK\$4,400,000 (re-presented)), increased by 26.2%, 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 the nine months ended 30 September 2021 compared to PY2020.

Administrative expenses

The administrative expenses were approximately HK\$28,519,000 during the Nine-month Period (PY2020: approximately HK\$30,807,000 (re-presented)), representing a decrease of approximately 7.4% due to the management continuous attention on cost control.

Income tax expenses

The Group recorded an income tax expenses of approximately HK\$885,000 for the Nine-month Period (PY2020: income tax expenses of approximately HK\$1,091,000 (re-presented)).

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

The Group reported a net loss attributable to owners of the Company for the Nine-month Period of approximately HK\$6,437,000 (PY2020: net profit of approximately HK\$4,110,000 (re-presented)), decrease by approximately 256.6%. This was mainly attributable to 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.

Loss / earnings per share

The basic and diluted loss per share for the Nine-month Period was approximately HK\$0.91 cents (PY2020: basic and diluted earnings per share approximately HK\$0.58 cents (re-presented)).

Material disposal of subsidiary

On 16 June 2021, the Group entered into the an agreement with Shenzhen Hengguan, pursuant to which GM Electronic has conditionally agreed to sell and Shenzhen Hengguan (the “**Purchaser**”) has agreed to purchase the entire equity interest in DAL at a consideration of RMB101,000,000.

The Purchaser is an independent third party, upon completion of the Disposal, DAL will cease to be a subsidiary of the Company. The agreed consideration for the Disposal was RMB101,000,000 (equivalent to approximately HK\$122,210,000). The assets and liabilities attributable to the production lines of DAL, which are expected to be sold within twelve months, have been classified as a disposal group held for sale and its results are presented separately, in the unaudited condensed consolidated statement of profit or loss and other comprehensive income.

The proceeds of disposal are expected to exceed the net carrying amount of the relevant assets and liabilities and, accordingly, no impairment loss has been recognised on the classification of these operations as held for sale. The Group obtained its shareholders’ approval on 20 October 2021 via a resolution at a special general meeting subsequent to the current period. Accordingly, it is anticipated that the estimated gain on the Disposal in the circular of the Company dated 29 September 2021 will contribute a profit before tax of approximately HK\$90 million in the full year result of the Group for the year ending 31 December 2021.

Saved as disclosed above, there were no other significant acquisition or disposal of subsidiary during the Nine-month Period.

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 September 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 Chapter 571 (“**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:

Ordinary Shares of HK\$0.01 each of the Company

Name of director	Capacity	Number of Issued Ordinary Shares held	Percentage of Issued share capital of the Company
Wang Li Feng ("Mr. Wang")	Interested in controlled corporation (<i>Note</i>)	355,620,000(L)	50.51%
	Beneficiary owner	52,595,000	7.47%

(L) denotes long position

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

Other than as disclosed above, none of the directors, the chief executive, nor their associates had any interests or short positions in any Shares or underlying Shares of the Company or any of its associated corporations at 30 September 2020.

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

As at 30 September 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:

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 Group Holdings Limited	Beneficial owner	355,620,000(L)	50.51%
Mr. Pang Kuo-Shi ("Mr. Pang") (<i>Note</i>)	Interest in a controlled corporation	74,403,000(L)	10.57%
Modern Wealth Assets Limited	Beneficial owner	74,403,000(L)	10.57%

(L) denotes long position

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 Company's shareholders. Options granted to substantial shareholders or independent non-executive Directors or their associates in excess of 0.1% of the Company's share capital or with a value in excess of HK\$5 million must be approved in advance by the Company's shareholders.

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

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

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURE

Save for the Scheme, at no time during the Nine-month 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 Nine-month 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 Nine month 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 Nine-month Period, the following Director had interests in the following business which were considered to compete or likely to compete, either directly or indirectly, with the business of the Group (other than those business where the Directors were appointed as directors to represent the interests of the Company and/or the Group):

Name of Director	Name of entity which were considered to compete or likely to compete with the business of the Group	Description of competing business	Nature of interests
Mr. Wang	Australia PT Design Consultants Limited (“PT Consultants”)	Provision of architectural design service (other than technical and documentation work)	Directly holding 27.6% interest in PT Consultants and a director
	PT Architectural Design (Shenzhen) Company Limited (“PT Shenzhen”)	Provision of architectural design service (other than technical and documentation work)	Indirectly holding 27.6% interest in PT Shenzhen through PT Consultants and a director
	Shanghai PT Architecture Design & Consultant Co., Ltd (“Shanghai PT”)	Provision of architectural design service (other than technical and documentation work)	Indirectly holding 17.0% 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 has 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 Nine-month 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 Nine-month Period.

DIVIDENDS

The Directors do not recommend the payment of any dividend for the Nine-month Period.

CORPORATE GOVERNANCE

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

The Company has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all directors, all directors confirmed they complied with the required standard of dealings and the code of conduct regarding securities transactions by directors adopted by the Company during the Period.

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

AUDIT COMMITTEE

The audit committee of the Company (the “**Audit Committee**”) comprises three members, namely, Dr. Fong Chi Wai, Alex, Dr. Yan Ka Shing and Dr. Feng Shen who are all independent non-executive Directors. Dr. Yan Ka Shing serves as the chairman of the Audit Committee. The primary duties of the Audit Committee are to review and supervise the financial reporting and internal control procedures of the Company. The third quarterly results for the Nine-month Period presented herein has not been audited but has been reviewed by the Audit Committee.

EVENT AFTER THE REPORTING PERIOD

On 16 June 2021, the Group entered into an agreement with Shenzhen Hengguan, pursuant to which GM Electronic has conditionally agreed to sell and Shenzhen Hengguan (the “**Purchaser**”) has agreed to purchase the entire equity interest in DAL 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 subsequent to the Nine-month Period. Upon the Disposal, DAL will cease to be a subsidiary of the Company and it is anticipated that the estimated gain on the Disposal in the circular of the Company dated 29 September 2021 will contribute a profit before tax of approximately HK\$90 million in the full year result of the Group for the year ending 31 December 2021.

On behalf of the Board
GLORY MARK HI-TECH (HOLDINGS) LIMITED
Wang Li Feng
Chairman

Hong Kong, 12 November 2021

As at the date of this report, 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 report 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 report shall prevail over the Chinese text.