

**GLORY MARK HI-TECH (HOLDINGS) LTD :
CABLES AND WIRES – GET THE CONNECTION ?**

With about a dozen years in business, building up a fairly solid base of products and customers, and with no real debt, Glory Mark Hi-Tech (Holdings) Ltd went public on The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd with almost no fanfare, whatsoever.

Which may be considered a little surprising, considering that, taking all things into account, this is not a bad little company, when taken alongside the many rubbish companies that investors have been handed over the past year or so.

Glory Mark (GEM Code: 8159) is in the business of manufacturing and selling, what is known in the trade as, *'connectivity products'*.

These are the computer/telecommunication equipment cables, electronic connectors, and what-have-you, the type of thing that one uses on a daily basis, but rarely considers for a moment that some company must be manufacturing them, somewhere in the world.

Glory Mark designs and develops these things; it has been in the business since about 1990.

The Company is the brainchild of Mr Steve Pang Kuo Shi and Mr Wong Chun who, between them, own 61.90 percent of the Issued and Fully Paid-Up Share Capital, with Mr Steve Pang, having 43.69 percent of the Share Capital, via his family trust.

Glory Mark made a Placing of 64 million, 10-cent Shares at a Premium of 30 cents per share, and it Offered another tranche of 16 million to members of the investing public of the Hongkong Special Administrative Region (HKSAR) of the PRC on the same basis.

The money, raised in this flotation, is to be used for the following purposes:

1. \$HK7.65 million for the installation of machinery and equipment;
2. \$HK5.10 million for the construction of the first phase of new production facilities;
3. \$HK2.40 million for the acquisition of land use rights;
4. \$HK1.50 million to enhance existing products;
5. \$HK1 million to expand the Company's research and development division;
6. \$HK900,000 to establish a sales office in Japan;
7. \$HK450,000 to upgrade the Company's computer system; and,
8. \$HK8 million to be used as additional working capital.

Unlike many companies that come to The GEM, Glory Mark, though relatively small, compared with many companies, manufacturing specialty electronics, has a history of profits.

And it looks as though it will continue to make even more profits in the immediate future.

The following table is taken from Page 148 of the Company's Prospectus:

| | Financial Year ended December 31 | | Eight Months to August 31 |
|---|---|----------|---------------------------|
| | 1999 | 2000 | 2001 |
| | All Figures are Denominated in \$HK'000 | | |
| Turnover | 79,518 | 119,601 | 74,908 |
| Cost of Sales | (65,360) | (96,616) | (58,401) |
| Gross Profit | 14,158 | 22,985 | 16,507 |
| Other Revenue | 2,012 | 1,418 | 3,901 |
| Selling and Distribution Expenses | (2,518) | (3,590) | (1,562) |
| Administrative Expenses | (7,002) | (5,845) | (5,065) |
| Profit from Operations | 6,650 | 14,968 | 13,781 |
| Financing Costs | Nil | Nil | Nil |
| Taxation | (400) | (922) | (527) |
| Net Profit Attributable to Shareholders | 6,250 | 14,046 | 13,254 |

The policy of this Company is, clearly, one of frugality since it would appear that it does not like to borrow money from banks, as is only too apparent by perusing the above table.

Glory Mark sells its products, primarily, to just 4 ... [CLICK TO ORDER FULL ARTICLE](#)

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