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Niche-Tech Semiconductor Materials Limited

駿碼半導體材料有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8490)

**ANNOUNCEMENT OF INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2025**

The board (the “**Board**”) of directors (the “**Directors**”) of Niche-Tech Semiconductor Materials Limited (the “**Company**”) is pleased to announce the unaudited interim results of the Company and its subsidiaries (together as the “**Group**”) for the six months ended 30 June 2025.

This announcement, containing the full text of the 2025 interim report of the Group, complies with the relevant requirements of the Rules (the “**GEM Listing Rules**”) Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) in relation to information to accompany preliminary announcements of interim results.

By Order of the Board
Niche-Tech Semiconductor Materials Limited
Chow Bok Hin Felix
Executive Chairman and Executive Director

Hong Kong, 31 August 2025

As at the date of this announcement, the executive Directors are Dr. Chow Bok Hin Felix, Professor Chow Chun Kay Stephen and Mr. Shi Yiwu, non-executive Directors are Mr. Li Chiu Fan and Mrs. Chow Fung Wai Lan, Rita, and the independent non-executive Directors are Professor Ng Wang Wai Charles, Mr. Tai Chun Kit and Mr. Poon Lai Yin Michael.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with 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.

This announcement will remain on the “Latest Listed Company Information” page of the website of the Stock Exchange at www.hkexnews.hk for a minimum period of seven days from the date of its publication. This announcement will also be published on the Company’s website at www.nichetech.com.hk.

CHARACTERISTICS OF GEM (“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 of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this report, make no representation as to its accuracy or completeness and expressly disclaim 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 board (the “**Board**”) of directors (the “**Directors**”) of Niche-Tech Semiconductor Materials Limited (the “**Company**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Company and its subsidiaries (together, the “**Group**”). 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.

CONTENTS

2	Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
4	Condensed Consolidated Statement of Financial Position
6	Condensed Consolidated Statement of Changes in Equity
7	Condensed Consolidated Statement of Cash Flows
8	Notes to the Condensed Consolidated Financial Statements
25	Management Discussion and Analysis
32	Other Information



CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Six months ended	
		30.6.2025	30.6.2024
		HK\$'000	HK\$'000
	NOTES	(unaudited)	(unaudited)
Revenue	4	76,846	108,966
Cost of sales		(66,291)	(82,861)
Gross profit		10,555	26,105
Other income, other gains and losses	5	(216)	2,876
Net impairment losses reversed under expected credit loss model		341	71
Impairment loss on intangible assets	6	(18,816)	–
Selling and distribution expenses		(4,163)	(5,605)
Administrative expenses		(14,323)	(15,584)
Finance costs	7	(2,955)	(3,026)
(Loss)/profit before taxation		(29,577)	4,837
Income tax expense	8	(884)	(2,675)
(Loss)/profit for the period	9	(30,461)	2,162

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Six months ended	
		30.6.2025	30.6.2024
	NOTE	HK\$'000	HK\$'000
		(unaudited)	(unaudited)
<hr/>			
Other comprehensive			
(expense)/income			
Item that will not be reclassified to profit or loss:			
Exchange differences arising on translation from functional currency to presentation currency		8,166	(6,828)
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		(2,636)	1,327
<hr/>			
Other comprehensive income/(expense) for the period		5,530	(5,501)
<hr/>			
Total comprehensive expense for the period		(24,931)	(3,339)
<hr/>			
(Loss)/earning per share			
– basic (HK cents)	11	(4.32)	0.31

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	NOTES	30.6.2025 <i>HK\$'000</i> (unaudited)	31.12.2024 <i>HK\$'000</i> (audited)
NON-CURRENT ASSETS			
Plant and equipment	12	29,394	31,597
Right-of-use assets		8,649	10,595
Intangible assets	12	85,643	99,150
Deposits paid for acquisition of plant and equipment and intangible assets		399	–
Rental deposits		566	563
Deferred tax assets		908	882
		125,559	142,787
CURRENT ASSETS			
Inventories		28,286	37,940
Trade and bills receivables	13(a)	108,093	112,620
Other receivables, prepayments and deposits	13(b)	43,722	20,781
Bank balances and cash		7,894	19,689
		187,995	191,030
CURRENT LIABILITIES			
Trade and other payables	14	24,159	10,805
Contract liabilities		249	265
Lease liabilities	16	3,853	4,649
Deferred income		1,308	1,246
Tax payable		39	671
Bank borrowings	15(a)	111,057	134,593
Bank overdraft	15(b)	17,918	–
		158,583	152,229
NET CURRENT ASSETS		29,412	38,801
TOTAL ASSETS LESS CURRENT LIABILITIES		154,971	181,588

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	NOTES	30.6.2025 HK\$'000 (unaudited)	31.12.2024 HK\$'000 (audited)
NON-CURRENT LIABILITIES			
Lease liabilities	16	6,932	8,191
Deferred income		431	858
		7,363	9,049
NET ASSETS			
		147,608	172,539
CAPITAL AND RESERVES			
Share capital	17	7,055	7,055
Reserves		140,553	165,484
TOTAL EQUITY			
		147,608	172,539

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

	Share capital HK\$'000	Share premium HK\$'000	Other reserve HK\$'000	Capital reserve HK\$'000	Exchange reserve HK\$'000	Statutory reserve HK\$'000	Retained earnings/ (accumulated losses) HK\$'000	Total equity HK\$'000
At 1 January 2024 (audited)	7,055	120,955	100,000	1	(24,274)	17,537	(336)	220,938
Profit for the period	-	-	-	-	-	-	2,162	2,162
Exchange differences arising on translation from functional currency to presentation currency	-	-	-	-	(6,828)	-	-	(6,828)
Exchange differences arising on translation of foreign operations	-	-	-	-	1,327	-	-	1,327
Total comprehensive (expense)/income for the period	-	-	-	-	(5,501)	-	2,162	(3,339)
At 30 June 2024 (unaudited)	7,055	120,955	100,000	1	(29,775)	17,537	1,826	217,599
At 1 January 2025 (audited)	7,055	120,955	100,000	1	(29,593)	19,224	(45,103)	172,539
Loss for the period	-	-	-	-	-	-	(30,461)	(30,461)
Exchange differences arising on translation from functional currency to presentation currency	-	-	-	-	8,166	-	-	8,166
Exchange differences arising on translation of foreign operations	-	-	-	-	(2,636)	-	-	(2,636)
Total comprehensive income/(expense) for the period	-	-	-	-	5,530	-	(30,461)	(24,931)
At 30 June 2025 (unaudited)	7,055	120,955	100,000	1	(24,063)	19,224	(75,564)	147,608

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Six months ended	
	30.6.2025	30.6.2024
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
NET CASH FROM OPERATING ACTIVITIES	11,595	5,532
NET CASH USED IN INVESTING ACTIVITIES	(12,196)	(29,203)
NET CASH (USED IN)/FROM FINANCING ACTIVITIES	(30,514)	22,318
NET DECREASE IN CASH AND CASH EQUIVALENTS	(31,115)	(1,353)
Effect of foreign exchange rate changes	1,402	787
CASH AND CASH EQUIVALENTS AT 1 JANUARY	19,689	3,749
CASH AND CASH EQUIVALENTS AT 30 JUNE	(10,024)	3,183
Represented by:		
Bank balances and cash	7,894	21,074
Bank overdraft	(17,918)	(17,891)
	(10,024)	3,183

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 21 February 2017 under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The shares (the “**Shares**”) of the Company have been listed on GEM since 30 May 2018.

The Company is an investment holding company. The Group is principally engaged in the development, manufacture and sales of semiconductor packaging materials.

The functional currency of the Company is Renminbi (“**RMB**”). The unaudited condensed consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”) as the Group’s management believes HK\$ is the appropriate presentation currency for the users of the condensed consolidated financial statements.

2. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements have been prepared in accordance with the Hong Kong Accounting Standards (“**HKAS**”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). In addition, the unaudited condensed consolidated financial statements include applicable disclosures required by Chapter 18 of the GEM Listing Rules.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

3. PRINCIPAL ACCOUNTING POLICIES

The unaudited condensed consolidated financial statements have been prepared on the historical cost basis.

Other than changes in accounting policies resulting from application of new and amendments to Hong Kong Financial Reporting Standards (“**HKFRSs**”), the accounting policies and methods of computation used in the unaudited condensed consolidated financial statements for the six months ended 30 June 2025 are the same as those followed in the preparation of the consolidated financial statements of the Group for the year ended 31 December 2024.

The HKICPA has issued certain new and revised HKFRSs. For those which are effective for accounting periods beginning on 1 January 2025, the adoption has no material impact on how the results and financial positions of the Group for the current and prior periods have been prepared and presented. For those which are not yet effective and have not been early adopted in prior accounting periods, the Group is in the process of assessing their impact on the Group’s results and financial positions.

4. REVENUE AND SEGMENT INFORMATION

An analysis of revenue by major products is as follows:

	Six months ended	
	30.6.2025	30.6.2024
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Bonding wire	48,551	58,267
Encapsulant	24,870	46,816
Others	3,425	3,883
	76,846	108,966

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

The Group's operating segment is determined based on information reported to the chief operating decision maker (the "**CODM**"), being the executive directors of the Company, for the purpose of resource allocation and performance assessment. For management purpose, the Group operates in one business unit based on its products and its sole operating segment is the development, manufacture and sales of semiconductor packaging materials. The CODM monitors the revenue, results, assets and liabilities of its business unit as a whole and regularly reviews financial information prepared in accordance with the accounting policies that are in accordance with HKFRSs, and without further discrete information. Accordingly, no analysis of segment information other than entity-wide information is presented.

Geographical information

The Group's revenue is mainly derived from customers located in the People's Republic of China (the "**PRC**"), Hong Kong and overseas. Information about the Group's revenue by the geographical location in which the customers operate is detailed below:

	Six months ended	
	30.6.2025	30.6.2024
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
PRC excluding Hong Kong	76,145	102,823
Hong Kong	174	5,761
Overseas	527	382
	76,846	108,966

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

5. OTHER INCOME, OTHER GAINS AND LOSSES

	Six months ended	
	30.6.2025	30.6.2024
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Bank interest income	5	34
Government subsidy income	650	1,623
Net foreign exchange (losses)/gains	(897)	1,183
Others	26	36
	(216)	2,876

6. IMPAIRMENT LOSS ON INTANGIBLE ASSETS

The Group performed impairment test by determining the recoverable amount of its intangible assets in relation to patent and trademark, technology know-how and development costs arising from the Group based on the value-in-use (the “VIU”) of the cash generating units (the “CGUs”). The project continues to progress in a satisfactory manner, and customer reaction has reconfirmed the Group’s estimates of anticipated revenues from the project. However, increased competitor activities have caused the Group to reconsider its assumptions regarding future market share and anticipated margins on these products.

After conducting impairment tests, the Group recognised an impairment loss of approximately HK\$18,816,000 during the six months ended 30 June 2025 (the “Period”) (six months ended 30 June 2024: nil) which was recorded in the consolidated statement of profit or loss and other comprehensive income, based on the following recoverable amounts of three CGUs of the Group, being the LED encapsulant cash generating unit (the “LED Encapsulant CGU”), the aluminum-based bonding wire cash generating unit (the “Aluminum-Based Bonding Wire CGU”) and copper-based bonding wire cash generating unit (the “Copper-Based Bonding Wire CGU”):

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

- the recoverable amount of the LED Encapsulant CGU was determined based on a VIU calculation. According to the assessment results of the Group, the intangible assets of LED Encapsulant CGU were determined to have a recoverable amount of approximately HK\$45,591,000, compared to a carrying amount of approximately HK\$56,249,000. Consequently, an impairment loss of approximately HK\$10,658,000 was recognised for the net carrying amount of the LED Encapsulant CGU during the Period (six months ended 30 June 2024: nil);
- the recoverable amount of the Aluminum-Based Bonding Wire CGU was determined based on a VIU calculation. According to the assessment results of the Group, the intangible assets of Aluminum-Based Bonding Wire CGU were determined to have a recoverable amount of approximately HK\$817,000, compared to a carrying amount of approximately HK\$2,928,000. Consequently, an impairment loss of approximately HK\$2,111,000 was recognised for the net carrying amount of the Aluminum-Based Bonding Wire CGU during the Period (six months ended 30 June 2024: nil);
- the recoverable amount of the Copper-Based Bonding Wire CGU was determined based on a VIU calculation. According to the assessment results of the Group, the intangible assets of Copper-Based Bonding Wire CGU were determined to have a recoverable amount of approximately HK\$303,000, compared to a carrying amount of approximately HK\$6,350,000. Consequently, an impairment loss of approximately HK\$6,047,000 was recognised for the net carrying amount of the Copper-Based Bonding Wire CGU during the Period (six months ended 30 June 2024: nil).

The VIU calculation used cash flow forecasts based on financial budgets approved by the board of directors of the Company covering the remaining expected useful life of these CGUs as estimated by the management of the Company. Such income approach is an appropriate valuation method that can reflect the value of cash flow generated by continuous operation of the assets, which is consistent with the requirements under HKAS 36 in determining the value in use of cash generating units. The pre-tax discount rates were ranging from 13.03% to 16.28% and the cash flow beyond the five-year period is extrapolated using a steady growth rate ranging from 5% to 10% per annum. The pre-tax discount rate reflects the specific risks related to the business and industry in which these CGUs operates.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

Another key assumption used in the VIU calculation of these GCUs was the budgeted gross margin ranging from 15.6% to 30.0%, which is based on the past performance of these CGUs and the management's expectations of the market development of these CGUs. The directors of the Company are not currently aware of any other probable changes that would necessitate adjustments to its key estimates.

7. FINANCE COSTS

	Six months ended	
	30.6.2025	30.6.2024
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Bank charges	34	74
Interests on bank borrowings	1,384	1,028
Interests on bank overdraft	494	634
Interests on discounted bills with recourse	362	420
Interests on lease liabilities	351	499
Interests on trust receipt loans	506	932
	3,131	3,587
Less: amounts capitalised in the cost of qualifying assets (note)	(176)	(561)
	2,955	3,026

Note: For the six months ended 30 June 2025 and 2024, borrowing cost arising from the funds borrowed specifically for the purpose of obtaining qualifying assets was capitalised.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

8. INCOME TAX EXPENSE

	Six months ended	
	30.6.2025	30.6.2024
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
<hr/>		
The income tax expense comprises:		
PRC Enterprise Income Tax ("EIT")		
– Change for the period	445	2,021
– Withholding tax	239	648
– Underprovision in prior years	200	6
	<hr/>	
	884	2,675
	<hr/>	

Under the Law of the PRC on EIT ("EIT Law") and Implementation Regulation of the EIT Law, the standard tax rate of PRC entities is 25% for both periods. Pursuant to the relevant laws and regulations in the PRC, 汕頭市駿碼凱撒有限公司 is granted tax incentives as a High and New Technology Enterprise and is entitled to a concessionary tax rate of 15% for the periods end 30 June 2025 and 2024.

Under the EIT Law, withhold tax of 5%-10% is imposed on dividends declared in respect of profit earned by subsidiaries in PRC from 1 January 2008 onwards.

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for both periods. No provision for Hong Kong Profits Tax is made since the relevant group entities had no assessable profits for both periods.

Pursuant to the rules and regulations of the BVI and Cayman Islands, the relevant group entities are not subject to any income tax in these jurisdictions.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

9. (LOSS)/PROFIT FOR THE PERIOD

	Six months ended	
	30.6.2025	30.6.2024
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
<hr/>		
(Loss)/profit for the period has been arrived at after charging:		
Directors' remuneration:		
Fees	360	288
Other emoluments, salaries and other benefits	3,067	3,069
Retirement benefit scheme contributions	30	28
	<hr/>	<hr/>
	3,457	3,385
Other staff costs:		
Staff salaries and allowances	12,871	13,574
Retirement benefit scheme contributions	1,668	1,448
	<hr/>	<hr/>
	14,539	15,022
Total staff costs	17,996	18,407
Capitalised in intangible assets	(2,116)	(2,013)
Capitalised in inventories	(4,418)	(4,398)
	<hr/>	<hr/>
	11,462	11,996
	<hr/>	<hr/>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

	Six months ended	
	30.6.2025	30.6.2024
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Depreciation of plant and equipment (including amounts capitalised in inventories and intangible assets)	2,932	3,061
Amortisation of intangible assets (including amounts capitalised in inventories)	7,358	7,873
Depreciation of right-of-use assets (including amounts capitalised in inventories and intangible assets)	2,097	2,129
Auditors' remuneration	495	495
Cost of inventories recognised as cost of sales	66,291	82,861
Research and development costs (excluding depreciation and staff costs) recognised as expenses (included in administrative expenses)	311	215
Expenses relating to short term leases	56	56

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

10. DIVIDENDS

The Board does not recommend the payment of an interim dividend for the year ending 31 December 2025 (six months ended 30 June 2024: nil).

11. (LOSS)/EARNINGS PER SHARE

	Six months ended	
	30.6.2025	30.6.2024
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)

(Loss)/earnings:

(Loss)/earnings for the purpose of basic

(loss)/earnings per share:

(loss)/profit for the period

attributable to owners of the

Company

(30,461)

2,162

Number of shares:

Weighted average number of ordinary

shares for the purpose of basic earnings

per share

705,500,000

705,500,000

No diluted earnings per share is presented for periods ended 30 June 2025 and 2024 as there is no potential ordinary shares in issue during both periods.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

12. MOVEMENTS IN PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

During the current interim period, the Group acquired plant and equipment and intangible assets of approximately HK\$178,000 and approximately HK\$11,625,000 respectively (six months ended 30 June 2024: approximately HK\$56,000 and approximately HK\$4,079,000 respectively).

There was no disposal of plant and equipment during the current interim period (six months ended 30 June 2024: nil).

13. TRADE AND BILLS RECEIVABLES AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS

(a) Trade and bills receivables

	30.6.2025 <i>HK\$'000</i> (unaudited)	31.12.2024 <i>HK\$'000</i> (audited)
Trade receivables	54,348	69,834
Less: Allowance for credit losses	(1,922)	(2,177)
	52,426	67,657
Bills receivables	55,667	44,963
	108,093	112,620

The Group's trading terms with its customers are mainly on credit, except for certain customers where payment in advance is required. The credit period is generally 30 to 120 days. Each customer is granted with a credit limits. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

The following is an aged analysis of trade receivables, net of allowance for credit losses, based on the invoice date at the end of the reporting periods:

	30.6.2025 <i>HK\$'000</i> (unaudited)	31.12.2024 <i>HK\$'000</i> (audited)
1 – 30 days	11,858	19,466
31 – 60 days	15,319	12,965
61 – 90 days	12,250	11,007
Over 90 days	12,999	24,219
	52,426	67,657

The maturity period of bills receivables as at 30 June 2025 and 31 December 2024 were within 365 days.

(b) Other receivables, prepayments and deposits

	30.6.2025 <i>HK\$'000</i> (unaudited)	31.12.2024 <i>HK\$'000</i> (audited)
Prepayments	42,305	11,145
Deposits	214	568
Other receivables	1,203	8,633
Other tax recoverable	–	435
	43,722	20,781

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

14. TRADE AND OTHER PAYABLES

	30.6.2025 HK\$'000 (unaudited)	31.12.2024 HK\$'000 (audited)
Trade payables	12,529	5,979
Other payables	75	371
Other tax payables	1,620	–
Accrued expenses	9,935	4,455
	24,159	10,805

The trade suppliers either require cash on delivery from the Group or allow credit period ranging from 7 days to 90 days to the Group. The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting periods:

	30.6.2025 HK\$'000 (unaudited)	31.12.2024 HK\$'000 (audited)
1 – 30 days	4,753	3,305
31 – 60 days	4,216	1,946
61 – 90 days	2,072	683
Over 90 days	1,488	45
	12,529	5,979

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

15. BANK BORROWINGS/BANK OVERDRAFT

(a) Bank borrowings

	30.6.2025 HK\$'000 (unaudited)	31.12.2024 HK\$'000 (audited)
Carrying amounts of bank borrowings based on scheduled repayment dates set out in the loan agreements:		
Within one year	62,152	61,556
Carrying amount of borrowings that are repayable on demand due to not fully compliance with the terms of the banking facilities (shown under current liabilities)	48,905	73,037
	111,057	134,593
Less: Amounts due within one year shown under current liabilities	(111,057)	(134,593)
Amounts shown under non-current liabilities	–	–
Secured	109,087	125,043
Unsecured	1,970	9,550
	111,057	134,593

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

The Group's variable-rate bank borrowings carried interests from Loan Prime Rate issued by the People's Bank of China less 0.25% to 3.5% over Hong Kong Interbank Offered Rate ("**HIBOR**") per annum (31 December 2024: from 2.5% to 3.5% over HIBOR per annum) quoted by certain banks in Hong Kong and were repayable on demand.

The Group's fixed-rate bank borrowings as at 30 June 2025 carried interests at effective rates ranged from 1.33% to 3.10% per annum (31 December 2024: from 1.07% to 3.52% per annum).

(b) Bank overdraft

As at 30 June 2025, the bank overdraft amounted to approximately HK\$17,918,000 (31 December 2024: nil), carrying interest rate at 3.0% over HIBOR per annum and was payable on demand. The amount was guaranteed by the Company, some Directors and the HKMC Insurance Limited under the SME Financing Guarantee Scheme.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

16. LEASE LIABILITIES

	30.6.2025 <i>HK\$'000</i> (unaudited)	31.12.2024 <i>HK\$'000</i> (audited)
Current	3,853	4,649
Non-current	6,932	8,191
	10,785	12,840

17. SHARE CAPITAL

	Number of shares	Share capital <i>HK\$'000</i>
Ordinary shares of HK\$0.01 each		
Authorised:		
At 30 June 2025 (unaudited) and 31 December 2024 (audited)	2,000,000,000	20,000
Issued and fully paid:		
At 30 June 2025 (unaudited) and 31 December 2024 (audited)	705,500,000	7,055

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

18. CAPITAL COMMITMENTS

	30.6.2025 <i>HK\$'000</i> (unaudited)	31.12.2024 <i>HK\$'000</i> (audited)
Capital expenditure contracted for but not provided for in the condensed consolidated financial statements in respect of:		
– intangible assets	600	600
– plant and equipment	220	236
	820	836



MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is an established semiconductor packaging materials manufacturer specializing in the development, manufacture, and sales of the bonding wire and encapsulant with headquarters in Hong Kong and production facilities in Shantou, the PRC.

The Group continued to sell its products directly to over 600 customers, including renowned manufacturers of LEDs, camera modules, power devices, and integrated circuits (ICs) primarily based in the PRC. For the six months ended 30 June 2025 (the “**Period**”), international trade contracted due to the ongoing Russia-Ukraine conflict, escalating Israel-Palestine tensions, significant United States (U.S.) tariff increases, and restrictions on semiconductor product exports. During the Period, the Group shipped approximately 200 tonnes of encapsulant products and 356,270 kilometres of bonding wire products, representing a decrease of 33.3% and an increase of 9.3% respectively, against the corresponding period of 2024 (“**1H2024**”). During the Period, intense industry competition and overcapacity in encapsulant products led to a continued decline in the average selling prices of the Group’s products. Consequently, the Group’s revenue for the Period fell by 29.5% to approximately HK\$76.8 million (1H2024: approximately HK\$109.0 million), with the Group’s gross profit margin dropping to 13.7% (1H2024: 24.0%).

The Group will maintain its focus on innovation in semiconductor packaging materials for the advanced semiconductors and accelerate domestic substitution to capture opportunities arising from the anticipated market recovery.

FINANCIAL OVERVIEW

Revenue

The Group’s revenue principally represents income derived from its main products, namely bonding wire and encapsulant. During the Period, the Group recorded a revenue of approximately HK\$76.8 million (1H2024: approximately HK\$109.0 million). The revenue of bonding wire products recorded a decrease of 16.7% to approximately HK\$48.6 million (1H2024: approximately HK\$58.3 million) while the revenue of encapsulant products recorded a sharply decrease of 46.9% to approximately HK\$24.9 million (1H2024: approximately HK\$46.8 million). The decrease in the revenue was mainly due to intense price competition in the LED encapsulant market and a sustained reduction in export demand from customers.

MANAGEMENT DISCUSSION AND ANALYSIS

Cost of sales and gross profit

The Group's cost of sales mainly comprised direct material costs, direct labor costs, and manufacturing overhead. During the Period, the Group's cost of sales decreased by 20.0% to approximately HK\$66.3 million (1H2024: approximately HK\$82.9 million), mainly due to the decrease in revenue. The gross profit of the Group decreased by 59.6% to approximately HK\$10.6 million for the Period (1H2024: approximately HK\$26.1 million). The gross profit margin was approximately 13.7% for the Period (1H2024: 24.0%). During the Period the lower average selling price of the Group's products led to the decrease in gross profit margin.

Other income, other gains and losses

The Group recognized a net loss of approximately HK\$0.2 million for other income, other gains, and losses during the Period (1H2024: gain of approximately HK\$2.9 million). Due to the appreciation of RMB during the Period, the Group recorded a net exchange loss of approximately HK\$0.9 million while a net exchange gain of approximately HK\$1.2 million was recorded in 1H2024.

Impairment loss on intangible assets

In accordance with the Accounting Standards and the accounting policies of the Company, adhering to the principle of prudence, the Company conducted impairment tests on relevant assets of the Group in the Period, and made corresponding provisions for impairment of the assets with signs of impairment. The Company made provisions for impairment of various intangible assets in an amount of approximately HK\$18.8 million (1H2024: Nil).

Expenses

Selling and distribution expenses amounted to approximately HK\$4.2 million for the Period (1H2024: approximately HK\$5.6 million), mainly due to the decrease in sales commission paid as a result of decrease in sales revenue. Administrative expenses for the Period were approximately HK\$14.3 million (1H2024: approximately HK\$15.6 million). The decrease in administrative expenses was mainly due to the implementation of cost saving measures during the Period. Finance costs stayed at approximately HK\$3.0 million (1H2024: approximately HK\$3.0 million) during the Period.



MANAGEMENT DISCUSSION AND ANALYSIS

(Loss)/profit and other comprehensive (expenses)/income for the Period

As a result of the combined effects of the foregoing, loss attributable to owners of the Company for the Period was approximately HK\$30.5 million (1H2024: profit of approximately HK\$2.2 million). Earnings before interest, taxes, depreciation of plant and equipment and amortization of intangible assets ("**EBITDA**") for the Period was approximately HK\$2.5 million (1H2024: approximately HK\$18.7 million).

FUTURE STRATEGY AND PROSPECTS

The first half of 2025 presented both challenges and opportunities. Geopolitical conflicts (such as the Russia-Ukraine war and Israel-Palestine tensions), combined with U.S. tariff barriers, have strained global trade chains. Yet, China's semiconductor material localisation has accelerated against these headwinds. Supported by U.S. export restrictions and national policies, domestic substitution has shifted from an "alternative option" to a "must-have option". According to the announcement of SEMI, the global semiconductor packaging materials market is projected to exceed US\$26 billion in 2025 and will continue to grow at a compound annual growth rate (CAGR) of 5.6% until 2028. Demand for high-end bonding wire, driven by artificial intelligence ("**AI**") chips and advanced packaging, is shifting the industry from "overcapacity" to "technology-driven", presenting both opportunities and challenges. The global semiconductor industry continues to grow, propelled by AI, 5G communications, and electric vehicles ("**EVs**"), with the Chinese market performing particularly strongly under the support of "domestic substitution" policies.

The Group will continue to bolster research and development (R&D) to address uncertainties to be faced by the global economy, focusing on domestic substitution and developing advanced, high-quality, cost-effective products. By pursuing a dual-engine strategy of breakthroughs in high-end materials and deep engagement in power semiconductors, the Group aims to build technological barriers in three high-growth sectors, such as AI packaging, automotive-grade electronics, and Mini/Micro LED. Leveraging its foundation as a national-level "Little Giant" in specialised and innovative R&D, the Group is accelerating the substitution of imported high-end materials, providing critical support to the resilience of the domestic semiconductor supply chain.



MANAGEMENT DISCUSSION AND ANALYSIS

Looking ahead, as the U.S.-China technological rivalry intensifies, the localisation of semiconductor packaging materials is gaining momentum. With self-developed copper bonding and welding wire, as well as high-thermal-conductivity epoxy encapsulants, the Group has become one of the few domestic suppliers capable of replacing imported products, successfully integrating into the supply chains of leading customers in Mini LED and automotive-grade packaging. Concurrently, through capacity collaboration and technological upgrades, the Group is aligning with the “14th Five-Year Plan” requirements for a self-reliant semiconductor industry chain, increasing R&D investment and enhancing product performance to meet downstream customers’ urgent demand for high-performance domestic materials.

The Group has also implemented supply chain diversification, established strategic partnerships with domestic upstream material suppliers and strategic investors, and accelerated domestic substitution to ensure a stable supply of critical raw materials. Cost optimisation efforts, including proprietary R&D, automated production, and process improvements, have helped offset some inflationary impacts.

Moving forward, the Group will continue to focus on its core “domestic substitution” strategy, deepen cooperation with leading domestic enterprises, and expand its market share in automotive-grade packaging and AI chip materials. The Board is confident that, with its technological expertise, policy support, and customer collaboration, the Group is well-positioned to achieve simultaneous growth in both revenue and profitability amid the industry’s structural expansion, creating long-term value for shareholders.

HUMAN RESOURCES MANAGEMENT

As at 30 June 2025, the Group employed 186 full-time employees (as at 31 December 2024: 190). The remuneration of employees is disclosed in note 9 to the unaudited condensed consolidated financial statements. The Group’s remuneration policy is determined with reference to the experience and qualifications of the individual’s performance. The Group would ensure that all employees are provided with adequate training and continuous professional development opportunities according to their needs. The Group has adopted a share option scheme to reward individual staff for their contribution to the Group.



MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL RESOURCES, LIQUIDITY AND CAPITAL STRUCTURE

The Group finances its operations primarily through cash generated from operating activities and interest-bearing bank borrowings. The Group recorded net current assets of approximately HK\$29.4 million as at 30 June 2025 (31 December 2024: approximately HK\$38.8 million). As at 30 June 2025, the Group's current ratio was approximately 1.2 (31 December 2024: approximately 1.3) and the Group's gearing ratio (the total borrowings divided by the total equity of the Group at the end of the Period) was approximately 87.4% (31 December 2024: approximately 78.0%). The Group's variable-rate bank borrowings carried interest which ranged from Loan Prime Rate issued by the People's Bank of China ("**LPR**") less 0.25% to 3.50% over Hong Kong Interbank Offered Rate ("**HIBOR**") per annum (31 December 2024: LPR less 0.25% to 3.50% over HIBOR per annum). The effective interest rate ranged from 3.09% to 7.14% as at 30 June 2025 (31 December 2024: from 3.20% to 7.63%). The Group's fixed-rate borrowings carried interests at effective rates (which were also the contracted rates) from 1.33% to 3.10% per annum as at 30 June 2025 (31 December 2024: from 1.07% to 3.52% per annum). As at 30 June 2025, the Group's bank borrowings and bank overdraft amounted to approximately HK\$129.0 million (31 December 2024: approximately HK\$134.6 million). As at 30 June 2025, the bank borrowings amounted to approximately HK\$56.8 million (31 December 2024: approximately HK\$84.7 million) were secured by unlimited corporate guarantee provided by the Company, certain corporate guarantee amounts provided by Niche-Tech Kaiser (Shantou) Limited ("**Niche-Tech Shantou**") and certain personal guarantee amounts provided by the director of the Company respectively. As at 30 June 2025, the Group had total bank facilities of approximately HK\$145.5 million (31 December 2024: approximately HK\$178.0 million). As at 30 June 2025, the capital structure of the Group consisted of equity attributable to owners of the Company of approximately HK\$147.6 million (31 December 2024: approximately HK\$172.5 million).

TREASURY POLICY

The Directors will continue to follow a prudent policy in managing the Group's cash balances and maintain a strong and healthy liquidity to ensure that the Group is well placed to take advantage of future growth opportunities.



MANAGEMENT DISCUSSION AND ANALYSIS

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

There were no material acquisitions and disposals of subsidiaries, associates and joint ventures during the Period.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed in this report, the Group did not have other plans for material investments and capital assets during the Period.

SIGNIFICANT INVESTMENTS HELD

During the Period, the Group did not hold any significant investments.

PRINCIPAL RISKS AND UNCERTAINTIES

The Board believes that all the major risk factors relevant to the Group have already been disclosed in the section headed “Risk factors” of the Company’s prospectus dated 17 May 2018 (the “**Prospectus**”) in respect of the listing (the “**Listing**”) of the Shares on GEM. Please refer thereto for more information.

EXPOSURE TO FOREIGN EXCHANGE RISK

The Group’s income, cost of sales, administrative expenses, investment and borrowings are mainly denominated in United State Dollar, HK\$ and RMB. Fluctuations of the exchange rates of RMB could affect the operating costs of the Group. Currencies other than RMB were relatively stable during the Period. The Group currently does not have a foreign currency hedging policy. However, the management will continue to monitor foreign exchange exposure and will take prudent measure to minimise the currency translation risk. The Group will consider hedging significant foreign currencies should the need arise.

CHARGES ON ASSETS

There was no significant pledge on the Group’s assets as at 30 June 2025 (as at 31 December 2024: nil).



MANAGEMENT DISCUSSION AND ANALYSIS

INTERIM DIVIDEND

The Board does not recommend the payment of interim dividend for the Period (1H2024: nil).

CONTINGENT LIABILITIES

As at 30 June 2025, the Group did not have any material contingent liabilities or guarantees (as at 31 December 2024: nil).

SEGMENT INFORMATION

Segment information for the Group is presented as disclosed on note 4 to the unaudited condensed consolidated financial statements.

EVENT AFTER THE REPORTING PERIOD

There is no significant event after the reporting period for the Group up to the date of this report.

DISCLOSURE OF INTERESTS

(a) Directors' and chief executives' interests and short positions in the Shares, underlying shares and debentures of the Company and its associated corporations

As at 30 June 2025, the interests and short positions of the Directors and chief executives of the Company in the Shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong (the "SFO")), which are required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO); or (b) pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by Directors to be notified to the Company and the Stock Exchange were as follows:

Long positions in the Shares

Name of Directors	Nature of interest/ holding capacity	Number of ordinary Shares held	Percentage of issued share capital of the Company (Note 1)
Dr. Chow Bok Hin Felix ("Dr. Chow") (Note 2)	Interest in a controlled corporation	357,000,000	50.60%
Professor Chow Chun Kay Stephen ("Professor Chow") (Note 2)	Interest in a controlled corporation Beneficial owner	357,000,000 510,000	50.60% 0.07%
Mrs. Rita Chow Fung Wai Lan Rita ("Mrs. Rita Chow") (Note 3)	Interest of spouse	357,510,000	50.67%
Mr. Li Chiu Fan	Beneficial owner	16,050,000	2.27%

OTHER INFORMATION

Notes:

- (1) As at 30 June 2025, the Company's issued share capital was HK\$7,055,000 divided into 705,500,000 Shares of HK\$0.01 each.
- (2) Niche-Tech Investment Holdings Limited ("**BVI Holdings**") is indirectly owned as to 40% by Dr. Chow and 60% by Professor Chow. By virtue of the SFO, Dr. Chow and Professor Chow are deemed to be interested in the Shares held by BVI Holdings.
- (3) Mrs. Rita Chow is the spouse of Professor Chow. Mrs. Chow is deemed to be interested in all the Shares in which Professor Chow is interested in for the purpose of the SFO.

Interests in shares of the associated corporations of the Company

Name	Name of associated corporation	Nature of interest/ holding capacity	Number of shares held/ interested in the associated corporations	Percentage of shareholding
Professor Chow (Notes 1 and 2)	Chows Investment Group Limited (" BVI Chows ")	Beneficial owner	6	60.00%
Dr. Chow (Notes 1 and 2)	BVI Chows	Beneficial owner	4	40.00%
Professor Chow (Notes 1 and 2)	BVI Holdings	Interest in a controlled corporation	10,000,000	100.00%
Dr. Chow (Notes 1 and 2)	BVI Holdings	Interest in a controlled corporation	10,000,000	100.00%
Mr. Li Chiu Fan (Note 3)	BVI Holdings	Beneficial owner	714,286	7.14%
Mrs. Rita Chow (Note 4)	BVI Chows	Interest of Spouse	6	60.00%
	BVI Holdings	Interest of Spouse	10,000,000	100.00%



OTHER INFORMATION

Notes:

- (1) BVI Chows holds 100% interest in BVI Holdings. BVI Holdings in turn holds 50.60% interest in the Company. Therefore, BVI Chows and BVI Holdings are the associated corporations of the Company for the purpose of the SFO.
- (2) Dr. Chow and Professor Chow are interested in as to 40% and 60% of the issued share capital of BVI Chows respectively. BVI Chows holds 100% interest in BVI Holdings. Dr. Chow and Professor Chow are therefore deemed to be interested in 100% of BVI Holdings for the purpose of the SFO.
- (3) BVI Chows issued an exchangeable loan note to Mr. Li Chiu Fan for an amount of HK\$10,000,000 in respect of 714,286 shares in the issued share capital of BVI Holdings. The maturity date of the exchangeable loan note had been extended.
- (4) Mrs. Rita Chow is the spouse of Professor Chow. Mrs. Chow is deemed to be interested in all the shares of the associated corporations of the Company in which Professor Chow is interested in for the purpose of SFO.

Save as disclosed above, as at 30 June 2025, none of the Directors nor chief executives of the Company had or was deemed to have any other interests and short positions in the Shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which are required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO); or (b) pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by Directors to be notified to the Company and the Stock Exchange.

OTHER INFORMATION

(b) Substantial Shareholders and other persons' interests and short positions in the Shares or underlying Shares of the Company

So far as is known to the Directors, as at 30 June 2025, the persons (other than Directors or chief executive of the Company) had, or were deemed to have, interests or short positions (directly or indirectly) in the Shares or underlying shares of the Company that would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO were as follows:

Long positions in the Shares

Name of Shareholder	Nature of interest/ holding capacity	Number of Shares	Percentage of issued share capital of the Company (Note 1)
BVI Holdings	Beneficial owner	357,000,000	50.60%
BVI Chows (Note 2)	Interest of controlled corporation	357,000,000	50.60%
Mrs. Chow Kuo Li Jen (Note 3)	Interest of spouse	357,000,000	50.60%
Mr. Ma Ah Muk ("Mr. Ma")	Beneficial owner	152,490,000	21.61%
Ms. Cheng Pak Ching (Note 4)	Interest of spouse	152,490,000	21.61%



OTHER INFORMATION

Notes:

- (1) As at 30 June 2025, the Company's issued share capital was HK\$7,055,000 divided into 705,500,000 Shares of HK\$0.01 each.
- (2) BVI Chows holds 100% interest in BVI Holdings and is therefore deemed to be interested in the 357,000,000 Shares held by BVI Holdings for the purpose of the SFO.
- (3) Mrs. Chow Kuo Li Jen is the spouse of Dr. Chow. Mrs. Chow Kuo Li Jen is deemed to be interested in all the Shares in which Dr. Chow is interested for the purpose of the SFO.
- (4) Ms. Cheng Pak Ching is the spouse of Mr. Ma. Ms. Cheng Pak Ching is deemed to be interested in all the Shares in which Mr. Ma is interested for the purpose of the SFO.

Save as disclosed above, as at 30 June 2025, the Directors were not aware of any other persons (other than the Directors or the chief executive of the Company) who had, or was deemed to have, interest or short positions in the Shares or underlying shares of the Company would fall to be required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.



OTHER INFORMATION

SHARE OPTION SCHEME

Pursuant to the Company's share option scheme (the "**Scheme**") adopted on 8 May 2018 for the primary purpose of providing incentives to directors, eligible employees, consultant or adviser of the Group, the directors, employees, consultant or adviser of the Group may, at the discretion of the directors, be granted options (the "**Options**") to subscribe for shares ("**Shares**") in the Company at a price determined by its directors, but shall not be less than the highest of (i) the closing price of the shares as stated in the Stock Exchange's daily quotation sheet on the date of the offer of grant, which must be a trading day; (ii) the average closing price of the shares as stated in the Stock Exchange's daily quotation sheet for the five trading days immediately preceding the date of the offer of grant; and (iii) the nominal value of the shares on the date of grant of the option.

As the Company has not refreshed the scheme mandate limit since the adoption of the Scheme, based on 680,000,000 Shares in issue at the time dealings in the Shares first commenced on the Stock Exchange, the total number of Shares which the Company was authorised to issue assuming the full exercise of all options to be granted was 68,000,000 Shares, representing 10% of the total number of Shares then in issue. Pursuant to Rule 23.03D(1) of the GEM Listing Rules, the total number of Shares issued and to be issued in respect of all options granted to a Scheme participant in any 12-month period up to the date of grant must not exceed 1% of the Shares in issue, unless approved by the shareholders of the Company.

Subject to the requirements under the GEM Listing Rules and the terms and conditions of the Scheme, there is no general requirement on the minimum period for which an option must be held or the performance targets which must be achieved before it can be exercised upon its grant.

Unless terminated by resolution in general meeting, the Scheme will remain in force for a period of ten years from the date of the listing of the Shares on the Stock Exchange. Options granted must be taken up not later than 30 days after the date of grant. A consideration of HK\$1 is payable on acceptance of the offer of grant of an option.

The exercisable period of an option, which shall not exceed 10 years from the date of grant, is determined by the Board of Directors of the Company at their discretion.



OTHER INFORMATION

Since the date of adoption of the Scheme, as at the beginning and end of the Period and up to the date of this report, no option has been granted, exercised, cancelled or lapsed, and none has been outstanding under the Scheme.

No options have been granted by the Company since its adoption date. Therefore, the number of Shares which may be issued in respect of options and awards granted under all schemes of the Company during the Period divided by the weighted average number of shares of the relevant class in issue for the Period was nil.

COMPETING INTERESTS

None of the Directors nor the controlling shareholders of the Company or any of their respective close associates (as defined in the GEM Listing Rules) had any business or interest in a business that compete or may compete with the business of the Group and any other conflicts of interest which any such person has or may have with the Group during the Period.

CORPORATE GOVERNANCE PRACTICES

The Company complied with Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 of the GEM Listing Rules for the Period save as disclosed below.

Code provision D.1.2 of the CG Code requires the management of an issuer to provide all members of the board of directors with monthly updates giving a balanced and understandable assessment of the issuer’s performance, position and prospects in sufficient detail to enable the board as a whole and each director to discharge their duties under Rule 5.01 and Chapter 17 of the GEM Listing Rules. As disclosed in the announcement of the Company dated 25 June 2025 (the “**Announcement**”), the Group had been preparing its consolidated management accounts and evaluating its business performance on a quarterly basis for the purpose of facilitating the publication of its quarterly results announcements as required under the then GEM Listing Rules but notes that it is not in line with the requirement under code provision D.1.2 of the CG Code as mentioned above. In order to ensure compliance with code provision D.1.2, the Company has put in place and implemented remedial measures to strengthen the financial reporting procedures. For details, please refer to the Announcement.



OTHER INFORMATION

Principle C.2 and code provision C.2.1 of the CG Code stipulate that there should be a clear division of the management of the Board and the day-to-day management of the business. The roles of chairman and chief executive should be separate and should not be performed by the same individual. The Group has not appointed the chief executive officer. In view of Dr. Chow, being the founder of the Group, and his experience and his roles in the Group, the Board considers it beneficial to the business prospect and operational efficiency of the Group that Dr. Chow acts as the chairman of the Board. Day-to-day management of the business of the Group is carried out by the senior management and monitored by the executive Directors, while prior approvals by all executive Directors are required for all strategic decisions which are also considered and confirmed in formal Board meeting. The balance of power and authority of the Company is ensured by the operations of the Board which comprises experienced and competent individuals, with three of them being independent non-executive Directors. The Group believes that the existing management structure and decision making procedures are adequate and in the best interest of the Group to cope with the ever-changing economic environment.

The Company will continue to enhance its corporate governance practices appropriate to the conduct and growth of its business and to review its corporate governance practices from time to time to ensure they comply with the statutory requirements and regulations and the CG Code and align with the latest developments.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by the Directors (the “**Code of Conduct**”) 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 (the “**Required Standard of Dealings**”). The Company had also made specific enquiry of all the Directors and each of them confirmed that they have complied with the Code of Conduct and Required Standard of Dealings throughout the Period. Further, the Company was not aware of any non-compliance with the Required Standard of Dealings regarding securities transactions by the Directors for the Period.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the Period.

AUDIT COMMITTEE

The Company has established an audit committee of the Board (the “**Audit Committee**”) with written terms of reference in compliance with the GEM Listing Rules. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control systems of the Group. The members of the Audit Committee include three independent non-executive Directors, namely Mr. Poon Lai Yin Michael, Professor Ng Wang Wai Charles and Mr. Tai Chun Kit. Mr. Poon Lai Yin Michael is the chairman of the Audit Committee.



OTHER INFORMATION

The Audit Committee has reviewed the unaudited condensed consolidated results of the Company for the Period and this report and is of the opinion that such results and report have been complied with the applicable accounting standards and the requirements under the GEM Listing Rules, and that adequate disclosures have been made.

By Order of the Board
Niche-Tech Semiconductor Materials Limited
Chow Bok Hin Felix
Executive Chairman and Executive Director

Hong Kong, 31 August 2025

As at the date of this report, the executive Directors are Dr. Chow Bok Hin Felix, Professor Chow Chun Kay Stephen and Mr. Shi Yiwu, the non-executive Directors are Mr. Li Chiu Fan and Mrs. Chow Fung Wai Lan Rita, and the independent non-executive Directors are Professor Ng Wang Wai Charles, Mr. Tai Chun Kit and Mr. Poon Lai Yin Michael.

This report will remain on the “Latest Listed Company Information” page of the website of the Stock Exchange at www.hkexnews.hk for a minimum period of 7 days from the date of its publication. This report will also be published on the Company’s website at www.nichetech.com.hk.