

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, 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 announcement.

Channel Micron Holdings Company Limited

捷心隆控股有限公司

(Incorporated in the Cayman Islands with members' limited liability)

(Stock Code: 2115)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2021, RECOMMENDATION FOR DECLARATION OF FINAL DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS

FINANCIAL HIGHLIGHTS

The financial highlights of the Group during the year ended 31 December 2021 (“**FY2021**” or the “**Year**”) together with the comparative figures for the year ended 31 December 2020 (“**FY2020**”) are set out as follows:

	For the year ended 31 December		Change
	2021	2020	
	RMB'000	RMB'000	
Revenue	267,549	203,629	31.4%
Gross profit	95,307	72,165	32.1%
Profit for the year	34,694	10,600	227.3%
Adjusted profit for the year (<i>Note 1</i>)	34,694	26,716	29.9%
	RMB cents	RMB cents	
Earnings per share Basic and diluted	2.47	0.93	
Gross profit margin	35.6%	35.4%	
Net profit margin	13.0%	5.2%	
Adjusted net profit margin (<i>Note 1</i>)	13.0%	13.1%	

Note 1: The terms of adjusted profit for the year and adjusted net profit margin are not defined under HKFRSs. Adjusted profit for the year is calculated by profit for the year excluding listing expenses, whereas adjusted net profit margin is calculated by dividing adjusted profit for the year by revenue.

ANNUAL RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of Channel Micron Holdings Company Limited (the “**Company**”) is pleased to announce the audited consolidated annual results of the Company and its subsidiaries (collectively the “**Group**”) for the year ended 31 December 2021, together with the comparative figures for the previous financial year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2021

	<i>Notes</i>	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
Revenue	3	267,549	203,629
Cost of sales		<u>(172,242)</u>	<u>(131,464)</u>
Gross profit		95,307	72,165
Other income	4	2,577	2,540
Other gains and losses	5	1,302	139
Selling and distribution costs		(11,392)	(7,914)
Administrative and other operating expenses		(35,517)	(26,943)
Research and development expenses		(8,256)	(6,275)
Listing expenses		–	(16,116)
Finance costs		<u>(697)</u>	<u>(898)</u>
Profit before income tax	6	43,324	16,698
Income tax expense	7	<u>(8,630)</u>	<u>(6,098)</u>
Profit for the year		<u>34,694</u>	<u>10,600</u>
Other comprehensive (expense)/income			
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Deficit on revaluation of freehold land and building held for own use		(449)	(1,282)
Deferred tax arising from revaluation of freehold land and building		<u>101</u>	<u>110</u>
		(348)	(1,172)
<i>Item that will be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of foreign operations		<u>(8,610)</u>	<u>(5,036)</u>
Other comprehensive expense for the year, net of tax		<u>(8,958)</u>	<u>(6,208)</u>
Total comprehensive income for the year		<u>25,736</u>	<u>4,392</u>

	<i>Notes</i>	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
Profit for the year attributable to:			
Equity holders of the Company		34,634	10,523
Non-controlling interests		60	77
		<u>34,694</u>	<u>10,600</u>
Total comprehensive income for the year attributable to:			
Equity holders of the Company		25,676	4,315
Non-controlling interests		60	77
		<u>25,736</u>	<u>4,392</u>
		<i>RMB cents</i>	<i>RMB cents</i>
Earnings per share for profit attributable to equity holders of the Company			
Basic and diluted	9	<u>2.47</u>	<u>0.93</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2021

	<i>Notes</i>	2021 RMB'000	2020 <i>RMB'000</i>
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		73,455	32,567
Deferred tax assets		6,481	3,436
		79,936	36,003
Current assets			
Inventories		32,012	20,722
Trade and other receivables	<i>10</i>	94,652	70,027
Contract assets	<i>11</i>	74,253	55,392
Amounts due from related parties		190	5
Income tax recoverable		717	2,338
Pledged bank deposits		1,624	1,954
Cash and cash equivalents		110,536	118,683
		313,984	269,121
Current liabilities			
Trade and other payables	<i>12</i>	79,569	60,492
Contract liabilities	<i>11</i>	14,923	6,374
Amounts due to related parties		64	28
Lease liabilities		1,985	1,905
Borrowings	<i>13</i>	62,247	22,852
Income tax payable		6,121	2,234
		164,909	93,885
Net current assets		149,075	175,236
Total assets less current liabilities		229,011	211,239
Non-current liabilities			
Lease liabilities		765	1,068
Deferred tax liabilities		2,389	2,612
		3,154	3,680
Net assets		225,857	207,559

	<i>Notes</i>	2021 RMB'000	2020 <i>RMB'000</i>
EQUITY			
Share capital	<i>14</i>	12,152	12,152
Reserves		213,088	194,850
		<hr/>	<hr/>
Equity attributable to equity holders of the Company		225,240	207,002
Non-controlling interests		617	557
		<hr/>	<hr/>
Total equity		225,857	207,559
		<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

1. GENERAL INFORMATION AND BASIS OF PRESENTATION

1.1 General information

Channel Micron Holdings Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) was incorporated as an exempted company with limited liability in the Cayman Islands. The addresses of the registered office and principal place of business of the Company are Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman KY1-1111, Cayman Islands and Lot P.T. 14274, Jalan SU8, Persiaran Tengku Ampuan, 40400 Shah Alam, Selangor Darul Ehsan, Malaysia.

The Company is an investment holding company. The subsidiaries of the Company are principally engaged in the provision of cleanroom wall and ceiling systems and cleanroom equipment in the People’s Republic of China (the “**PRC**”) and Southeast Asia.

The Company’s shares are listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The ultimate controlling parties of the Group are Ng Yew Sum, Francis Chia Mong Tet, Chang Chin Sia, Ng Boon Hock, Chin Sze Kee, Law Eng Hock, Yap Chui Fan, Lim Kai Seng, Loh Wei Loon and Phang Chee Kin (collectively referred to as the “**Controlling Shareholders**”).

1.2. Basis of preparation

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the accounting principles generally accepted in Hong Kong.

The consolidated financial statements also comply with the applicable disclosure requirements of Hong Kong Companies Ordinance and include the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange.

2. ADOPTION OF NEW AND AMENDED HKFRSS

2.1 Amended HKFRSSs that are effective for annual periods beginning or after 1 January 2021

In the current year, the Group has applied for the first time the following amended HKFRSSs issued by the HKICPA, which are relevant to the Group's operations and effective for the Group's consolidated financial statements for the annual period beginning on 1 January 2021:

Amendments to HKFRS 9, HKAS 39 and HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform — Phase 2
--	--

In addition, on 1 January 2021, the Group has early applied the Amendment to HKFRS 16 "Covid-19-Related Rent Concessions beyond 30 June 2021" which is mandatorily effective for the Group for financial year beginning on or after 1 April 2021.

The adoption of the amended HKFRSSs had no material impact on how the results and financial position for the current and prior periods have been prepared and presented.

2.2 Issued but not yet effective HKFRSSs

At the date of authorisation of the consolidated financial statements, certain new and amended HKFRSSs have been published but are not yet effective, and have not been adopted early by the Group.

HKFRS 17	Insurance Contracts and related amendments ²
Amendments to HKFRS 3	Reference to the Conceptual Framework ⁴
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) ²
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies ²
Amendments to HKAS 8	Definition of Accounting Estimates ²
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction ²
Amendments to HKAS 16	Property, Plant and Equipment — Proceeds before Intended Use ¹
Amendments to HKAS 37	Onerous Contracts — Cost of Fulfilling a Contract ¹
Amendments to HKFRSSs	Annual Improvements to HKFRSSs 2018–2020 ¹
Accounting Guideline 5 (Revised)	Merger Accounting for Common Control Combination ⁴

¹ Effective for annual periods beginning on or after 1 January 2022

² Effective for annual periods beginning on or after 1 January 2023

³ Effective date not yet determined

⁴ Effective for business combination/common control combination for which the acquisition/combination date is on or after the beginning of the first annual period beginning on or after 1 January 2022

The directors anticipate that all of the pronouncements will be adopted in the Group's accounting policy for the first period beginning on or after the effective date of the pronouncement. The new and amended HKFRSSs are not expected to have a material impact on the Group's consolidated financial statements.

3. REVENUE AND SEGMENT INFORMATION

3.1 Revenue

Revenue represents the fair value of consideration received and receivable from the sales of goods and the cleanroom projects by the Group to external customers.

Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods or services over time and at a point in time were analysed as follows:

	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
Timing of revenue recognised over time		
— Cleanroom projects	151,456	134,855
Timing of revenue recognised at a point in time		
— Sales of goods	116,093	68,774
	<u>267,549</u>	<u>203,629</u>

3.2 Segment information

Revenue and expense are allocated to the reportable segments with reference to revenue generated by those segments and the expense incurred by those segments. The measure used for reporting segment profit is gross profit. The Group's other income and expense items, such as administrative and other operating expenses, and assets and liabilities are not measured under individual segments. Accordingly, neither information on segment assets and liabilities nor information concerning capital expenditure, depreciation and amortisation, interest income and interest expense is presented.

Information regarding the Group's reportable segments as provided to the chief operating decision maker for the purpose of resources allocation and assessment of segment performance for the year ended 31 December 2021 is as follows:

	Cleanroom wall and ceiling systems <i>RMB'000</i>	Cleanroom equipment <i>RMB'000</i>	Others <i>RMB'000</i>	Total <i>RMB'000</i>
Year ended 31 December 2021				
Reportable segment revenue	235,163	15,608	16,778	267,549
Reportable segment cost of sales	(149,807)	(9,633)	(12,802)	(172,242)
Reportable segment gross profit	<u>85,356</u>	<u>5,975</u>	<u>3,976</u>	<u>95,307</u>
Year ended 31 December 2020				
Reportable segment revenue	190,505	6,264	6,860	203,629
Reportable segment cost of sales	(123,347)	(5,111)	(3,006)	(131,464)
Reportable segment gross profit	<u>67,158</u>	<u>1,153</u>	<u>3,854</u>	<u>72,165</u>

Geographical information

The following tables set out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's property, plant and equipment ("specified non-current assets"). The geographical location of customers is based on the location at which the services were provided or the goods were delivered. The geographical location of the specified non-current assets is based on the physical location of the assets.

	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
Revenue from external customers		
— The PRC (excluding Hong Kong)	143,671	123,968
— Malaysia	50,012	29,272
— Philippines	28,631	10,168
— Singapore	38,291	29,885
— Others	6,944	10,336
	<u>267,549</u>	<u>203,629</u>
	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
Specified non-current assets		
— The PRC (excluding Hong Kong)	3,509	3,213
— Malaysia	69,847	29,277
— Others	99	77
	<u>73,455</u>	<u>32,567</u>

Information about major customers

Revenue from customers which individually contributed over 10% of the Group's revenue during the year is as follows:

	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
Customer 1	39,433	34,793
Customer 2	27,390	N/A*
Customer 3	N/A*	21,746

* The corresponding revenue did not individually contribute over 10% of the Group's revenue during the years ended 31 December 2021 and 2020.

Note: All the revenue contributed from the above customers are derived from cleanroom wall and ceiling systems segment.

4. OTHER INCOME

	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
Bank interest income	267	298
Government grants (<i>note a</i>)	1,758	1,259
COVID-19-related rent concessions received (<i>note b</i>)	–	237
Sundry income	552	746
	<u>2,577</u>	<u>2,540</u>

Notes:

- (a) Subsidies have been received from the provincial government in the PRC for subsidizing the Group's operations. There were no unfulfilled conditions or contingencies relating to these subsidies.
- (b) The Group has adopted Amendments to HKFRS 16 "Covid-19-Related Rent Concessions" and early adopted Amendments to HKFRS 16 "Covid-19-Related Rent Concessions beyond 30 June 2021", and applied the practical expedients introduced by the amendments to all eligible rent concessions received by the Group.

5. OTHER GAINS AND LOSSES

	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
Loss on disposal of property, plant and equipment, net	(18)	–
Gain on lease modification	30	–
Exchange gains, net	1,290	139
	<u>1,302</u>	<u>139</u>

6. PROFIT BEFORE INCOME TAX

Profit before income tax is arrived at after charging/(crediting):

	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
Auditors' remuneration	1,381	890
Cost of inventories recognised as an expense, including	117,942	78,024
— write-down of inventories to net realisable value, net	1,197	498
Depreciation of property, plant and equipment on:		
— owned assets	1,173	1,106
— right-of-use assets	2,141	2,104
Credit losses of trade receivables, net	2,340	3,068
Credit losses of contract assets, net	4,313	848
COVID-19-related rent concessions received	–	(237)
Research and development expenses (including staff costs)	8,256	6,275
Short-term leases charges	359	365
	<u>359</u>	<u>365</u>

7. INCOME TAX EXPENSE

Cayman Islands Income Tax

Pursuant to the relevant laws and regulations of the Cayman Islands, the Company is not subject to Cayman Islands Income Tax.

Malaysian Income Tax

Malaysian Income Tax in respect of the Group's operations in Malaysia has been provided at the rate of 24% (2020: 24%) on the estimated assessable profit for the year ended 31 December 2021 arising from Malaysia.

Philippines Income Tax

Philippines Income Tax in respect of the Group's operations in Philippines has been provided at the rate of 25% (2020: 30%) on the estimated assessable profit. Starting from the fourth taxable year after the year the business operations commenced, entities incorporated in the Philippines which are subject to the regular corporate income tax are required to pay 2% minimum corporate income tax on gross income or tax equivalent to 25% (2020: 30%) regular corporate income tax on taxable income, whichever is higher. Gross income is equivalent to revenue less direct costs. Any excess of the minimum corporate income tax over regular corporate income tax can be carried forward and credited against regular corporate income tax for three succeeding taxable years.

PRC Enterprise Income Tax (the "PRC EIT")

The PRC EIT in respect of the Group's operations in the PRC has been provided at the rate of 25% (2020: 25%) on the estimated assessable profit for the year ended 31 December 2021 arising from the PRC.

Pursuant to the relevant laws and regulations in the PRC, one of the Group's PRC subsidiaries obtained the High and New Technology Enterprises qualification. Accordingly, they entitled to a preferential income tax rate of 15% (2020: 15%) on its estimated assessable profit for the year ended 31 December 2021.

According to the relevant laws and regulations promulgated by the State Administration of Taxation of the PRC, one of the Group's PRC subsidiaries entitled to a tax preferential income tax rate of 10% (2020: 10%) on its estimated assessable profit for the year ended 31 December 2021.

According to the relevant laws and regulations promulgated by the State Administration of Taxation of the PRC, one of the Group's PRC subsidiaries engaging in research and development activities is entitled to claim 200% (2020: 175%) for the year ended 31 December 2021 of its research and development expenses so incurred as tax deductible expenses when determining its assessable profit for the year ended 31 December 2021 (“**Super Deduction**”). The Group has made its best estimate for the Super Deduction to be claimed for the Group's PRC subsidiary in ascertaining its assessable profit for the years ended 31 December 2021 and 2020.

	2021	2020
	RMB'000	RMB'000
Current tax		
The PRC EIT		
— Current year	2,935	1,321
— Under-provision in respect of prior years	40	16
Malaysian Income Tax		
— Current year	9,157	4,907
— (Over)/Under-provision in respect of prior years	(680)	122
Philippines Income Tax		
— Current year	375	409
— Under-provision in respect of prior years	—	200
	11,827	6,975
Deferred tax		
— Current year	(3,076)	(934)
— (Over)/Under-provision in respect of prior years	(121)	57
	(3,197)	(877)
Income tax expense	8,630	6,098

8. DIVIDENDS

	2021	2020
	RMB'000	RMB'000
Dividends to equity holders	7,438	15,000
Dividends to non-controlling interests	—	176
	7,438	15,176

Pursuant to a written resolution passed by the directors of the Company on 30 March 2021, a final dividend of HK0.36 cents per share in respect of the year ended 31 December 2020 has been declared and paid.

Pursuant to a written resolution passed by the directors of the Company on 30 August 2021, an interim dividend of HK0.28 cents per share in respect of the year ended 31 December 2021 has been declared and paid.

The final dividend proposed after the reporting date has not been recognised as a liability at the reporting date, but reflected as an appropriation of retained profits for the year ended 31 December 2021.

9. EARNINGS PER SHARE

	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
Earnings		
Profit for the year attributable to equity holders of the Company for the purposes of basic earnings per share	<u>34,634</u>	<u>10,523</u>
Number of shares		
Weighted average number of ordinary shares for the purposes of basic earnings per share (in thousands)	<u>1,400,000</u>	<u>1,125,546</u>

The weighted average number of ordinary shares for the purpose of calculating basic earnings per share for the year ended 31 December 2021 has been adjusted retrospectively for the effect of the Capitalisation Issue (note 14(c)) as if the Capitalisation Issue had been effective on 1 January 2020.

The weighted average number of ordinary shares used to calculate the basic earnings per share for the year ended 31 December 2020 includes (i) 10,000,000 ordinary shares in issue throughout the year; (ii) 1,040,000,000 new ordinary shares issued pursuant to the Capitalisation Issue, as if all these shares had been in issue throughout the year ended 31 December 2020; and (iii) 75,546,000 shares, representing the weighted average of 350,000,000 new ordinary shares issued pursuant to the Global Offering (note 14(b)).

Diluted earnings per share for both years are the same as basic earnings per share as there were no potential ordinary shares in issue during both years.

10. TRADE AND OTHER RECEIVABLES

	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
Trade receivables	81,609	59,853
Less: ECL allowance	<u>(8,154)</u>	<u>(6,287)</u>
	73,455	53,566
Bill receivables	<u>4,102</u>	<u>4,500</u>
	<u>77,557</u>	<u>58,066</u>
Other receivables		
— Prepayments	6,960	5,649
— Other tax receivables	7,769	4,643
— Other receivables	1,510	324
— Rental and other deposits	<u>888</u>	<u>1,377</u>
	17,127	11,993
Less: ECL allowance	<u>(32)</u>	<u>(32)</u>
	<u>17,095</u>	<u>11,961</u>
	<u>94,652</u>	<u>70,027</u>

All bill receivables are due within one year.

The credit period is generally for a period of 0 to 90 days (2020: 0 to 90 days). Based on the invoice dates, the ageing analysis of trade receivables, net of ECL allowance, was as follows:

	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
0–90 days	53,588	45,977
91–180 days	11,735	3,795
181–365 days	4,282	2,018
Over 365 days	3,850	1,776
	<u>73,455</u>	<u>53,566</u>

11. CONTRACT ASSETS AND CONTRACT LIABILITIES

11.1 Contract assets

	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
Contract assets arising from		
— Cleanroom projects	76,838	55,242
— Sales of goods	4,480	2,908
Less: ECL allowance	(7,065)	(2,758)
	<u>74,253</u>	<u>55,392</u>

11.2 Contract liabilities

	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
Contract liabilities arising from		
— Cleanroom projects from billings in advance of performance	5,197	4,782
— Receiving deposits of manufacturing orders	9,726	1,592
	<u>14,923</u>	<u>6,374</u>

12. TRADE AND OTHER PAYABLES

	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
Trade payables	63,971	50,282
Bill payables	2,486	2,000
	<u>66,457</u>	<u>52,282</u>
Other payables		
— Accrued expenses	7,779	4,544
— Other tax payables	581	437
— Other payables	4,752	3,229
	<u>13,112</u>	<u>8,210</u>
	<u>79,569</u>	<u>60,492</u>

The Group was granted by its supplier credit periods ranging from 30 to 90 days (2020: 30 to 90 days). Based on the invoice dates, the ageing analysis of trade payables were as follows:

	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
0–90 days	55,729	41,177
91–180 days	594	5,586
181–365 days	4,096	869
Over 365 days	3,552	2,650
	<u>63,971</u>	<u>50,282</u>

13. BORROWINGS

	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
Bank overdrafts	277	–
Bank loans, wholly repayable within one year or on demand		
— Secured	46,970	13,852
— Unsecured	15,000	9,000
	<u>62,247</u>	<u>22,852</u>

As at 31 December 2021, the bank loans bear effective interest rates of range from 2.3% to 4.6% (2020: 3.8% to 4.7%) per annum.

As at 31 December 2021, the Group's bank loans of RMB46,970,000 (2020: RMB13,852,000) were secured by the legal charges over the Group's freehold land and building.

As at 31 December 2020, the Group's bank loan of RMB13,852,000 was guaranteed by the personal guarantees given by Ng Yew Sum, Chin Sze Kee and Law Eng Hock, the Controlling Shareholders of the Company (the "Personal Guarantees"). During the year ended 31 December 2021, the Personal Guarantees had been released.

14. SHARE CAPITAL

	HK\$0.01 per share	Number of shares Total	RMB'000
Authorised: Ordinary shares			
As at 1 January 2020	38,000,000	38,000,000	335
Increase in authorised share capital (<i>note a</i>)	<u>9,962,000,000</u>	<u>9,962,000,000</u>	<u>86,438</u>
As at 31 December 2020, 1 January 2021 and 31 December 2021	<u>10,000,000,000</u>	<u>10,000,000,000</u>	<u>86,773</u>
Issued and fully paid: Ordinary shares			
As at 1 January 2020	10,000,000	10,000,000	89
Issuance of share capital pursuant to the Global Offering (<i>note b</i>)	350,000,000	350,000,000	3,038
Issuance of share capital pursuant to the Capitalisation Issue (<i>note c</i>)	<u>1,040,000,000</u>	<u>1,040,000,000</u>	<u>9,025</u>
As at 31 December 2020, 1 January 2021 and 31 December 2021	<u>1,400,000,000</u>	<u>1,400,000,000</u>	<u>12,152</u>

Notes:

- (a) Pursuant to the written resolution of the shareholders passed on 3 September 2020, the authorised share capital of the Company was increased from HK\$380,000 to HK\$100,000,000 by creation of an additional 9,962,000,000 shares of HK\$0.01 each.
- (b) On 14 October 2020, 350,000,000 shares of HK\$0.01 each of the Company were allotted and issued at a price of HK\$0.36 per share by way of public offering (the “**Global Offering**”).

The proceeds of HK\$3,500,000 (equivalent to approximately RMB3,038,000) represents the par value of the shares of the Company, were credited to the Company’s share capital. The remaining proceeds of HK\$122,500,000 (equivalent to approximately RMB106,303,000), before issuing expenses, were credited to the Company’s share premium account. The share allotted and issued rank pari passu in all respects with the existing issued shares.

- (c) Pursuant to the written resolution of the shareholders passed on 3 September 2020, subject to the share premium account of the Company being credited as a result of the Global Offering, the directors were authorised to allot and issue a total of 1,040,000,000 shares credited as fully paid at par to the shareholders whose names appear on the register of members of the Company at close of business on 7 October 2020 in proportion to their respective shareholdings by way of capitalisation of the sum of HK\$10,400,000 (equivalent to approximately RMB9,025,000) standing to the credit of the share premium account of the Company (the “**Capitalisation Issue**”). The Capitalisation Issue was completed on 15 October 2020. The share allotted and issued rank pari passu in all respects with the existing issued shares.

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW OF OPERATIONS

Throughout the Year, despite the continuous outbreak of the 2019 Novel Coronavirus (“**COVID-19**”), the Asian economy began to recover from the pandemic due to the increase in vaccination rates and reopening of the affected economic sectors. During FY2021, although there were interruptions to the Group’s operation and projects from time to time due to the lockdown measures and travel restrictions, the interruptions were manageable as compared to FY2020 and the additional costs incurred for the heightened hygiene and preventive measures undertaken by the Group is minimal. This is due to the fact that as the relevant measures were less stringent and the Group has accumulated experience in managing the interruptions. Furthermore, the demand for the Group’s cleanroom products in Asia grew in FY2021 due to the increase in investment in semiconductors. As a result, the Group recorded a revenue of RMB267.5 million for FY2021, representing a year-over-year increase of 31.4%, as a result of the growth in revenue in all major markets of the Group (i.e. the PRC, Malaysia, Philippines and Singapore). The Group’s gross profit margin remained stable at 35.6% for FY2021 (FY2020: 35.4%). As a result, the net profit of the Group increased by 227.3% from RMB10.6 million for FY2020 to RMB34.7 million for FY2021 mainly due to the increase in revenue and the absence of listing expenses. Excluding the listing expenses of RMB16.1 million in FY2020, the adjusted profit of the Group^(Note) increased by 29.9% from RMB26.7 million for FY2020 to RMB34.7 million for FY2021.

To cater for the growing demand for its cleanroom products, the Group has completed the acquisition of a parcel of freehold industrial land situated in Negeri Selangor, Malaysia (the “**Acquisition**”) during FY2021. The land has a site area of approximately 16,056 square metres and will be used for the construction of the new production facility (the “**New Production Facility**”) with an aim to increase the Group production capacity in Malaysia. As at the date of this announcement, the Group is in the process of obtaining government approvals for the construction plan of the New Production Facility. In PRC, the Group rented an additional factory (“**Temporary Factory**”) mainly for warehouse purpose coupled with small scale production of cleanroom walls and ceiling systems from September 2021 for one year with a GFA of approximately 2,700 sq.m. to provide immediate and temporary storage support such that the Group could free up space at its PRC Factory to cater for the requirement of the existing and potential projects.

Note: The terms of adjusted profit for the period is not defined under HKFRSs. Adjusted profit for the period is calculated by profit for the period excluding listing expenses.

OUTLOOK

Looking forward, the Group expects the Asian economy to continue its gradual recovery from the COVID-19 pandemic, supported by the increase in vaccination rates, resumption of economic activities, and the extraordinary monetary and fiscal policies launched by governments across the globe. Due to the global semiconductor shortage, the Group also expects the investment in semiconductor industry to continue to increase, which in turn will drive the growth in demand for the Group's cleanroom products as they are mostly applied in cleanrooms for semiconductor plants.

To cater for the growing demand of its products and capture market opportunities, the Group endeavors to expand its production capacity in both Malaysia and the PRC. For Malaysia, the Group's production capacity is expected to increase by approximately 80% for cleanroom wall and ceiling systems and by approximately 62% for cleanroom equipment when the New Production Facility is in full operation, which is expected to be around the fourth quarter of 2023. For PRC, as at the date of this announcement, the Group is still actively looking for a suitable premise in the PRC to open a second factory in the PRC to increase the production capacity for cleanroom walls and ceiling systems in the PRC to take advantage of the opportunities in the market. As an interim measure, the Group rented the Temporary Factory in the PRC. In addition to expanding its production capacity, the Group will also continue to work closely with its customers and invest in research and development to improve its engineering capability and product quality.

Whilst the Group is optimistic about its future, it is also mindful that it is under constant pricing pressure from its competitors. In FY2021, the Group was able to maintain its overall gross margin. Going forward, the Group will strive to keep tight cost control and closely monitor its operational efficiency. Furthermore, the Group is aware of the volatility of the pandemic situation in different countries and will closely monitor the situation and remain vigilant. The Group will continue to be prudent in managing its business operations and financial resources and maximise its business potential amid the pandemic.

FINANCIAL REVIEW

REVENUE

Revenue by business segment

The following table sets forth a breakdown of the revenue of the Group by business segment.

	For the year ended 31 December			
	2021		2020	
	RMB'000	%	RMB'000	%
Cleanroom wall and ceiling systems	235,163	87.9	190,505	93.5
Cleanroom equipment	15,608	5.8	6,264	3.1
Others	16,778	6.3	6,860	3.4
Total	<u>267,549</u>	<u>100</u>	<u>203,629</u>	<u>100.0</u>

Cleanroom wall and ceiling systems

Revenue from cleanroom wall and ceiling systems for FY2021 increased by RMB44.7 million or 23.4% as compared to FY2020. The sales for cleanroom wall and ceiling systems in the PRC and Southeast Asia increased by approximately RMB19.7 million and RMB25.0 million respectively for FY2021 as compared to FY2020. The increase in revenue from the PRC and the Southeast Asia was mainly due to the new contracts obtained in 2021 as a result of strong demand for the Group's cleanroom wall and ceiling systems.

The more sizable contracts we undertook in FY2021 included:

- (a) a contract to supply cleanroom wall and ceiling system products with installation services for the construction of a semiconductor raw material in the PRC, from which revenue generated for FY2021 amounted to RMB21.0 million, representing 8.9% of total cleanroom wall and ceiling systems revenue of the Group for FY2021;
- (b) a contract to supply cleanroom wall and ceiling systems products for the construction of a mega data centre facility in Singapore, from which revenue generated for FY2021 amounted to RMB20.0 million, representing 8.5% of total cleanroom wall and ceiling systems revenue of the Group for FY2021;
- (c) a contract to supply cleanroom wall and ceiling system products with installation services for the construction of a semiconductor product manufacturing facility in the PRC, from which revenue generated for FY2021 amounted to RMB14.7 million, representing 6.2% of total cleanroom wall and ceiling systems revenue of the Group for FY2021;

- (d) a contract to supply cleanroom wall and ceiling system products for the construction of a semiconductor product manufacturing facility in Malaysia, from which revenue generated for FY2021 amounted to RMB10.3 million, representing 4.4% of total cleanroom wall and ceiling systems revenue of the Group for FY2021;
- (e) a contract to supply cleanroom wall and ceiling system products with installation services for the construction of a semiconductor product manufacturing facility in the PRC, from which revenue generated for FY2021 amounted to RMB10.3 million, representing 4.4% of total cleanroom wall and ceiling systems revenue of the Group for FY2021;
- (f) a contract to supply cleanroom wall and ceiling system products with installation services for the construction of a semiconductor product manufacturing facility in the PRC, from which revenue generated for FY2021 amounted to RMB10.0 million, representing 4.3% of total cleanroom wall and ceiling systems revenue of the Group for FY2021;
- (g) a contract to supply cleanroom wall and ceiling system products for silicon wafer facility in Singapore, from which revenue generated for FY2021 amounted to RMB5.3 million, representing 2.2% of total cleanroom wall and ceiling systems revenue of the Group for FY2021; and
- (h) a contract to supply cleanroom wall and ceiling system products with installation services for the construction of a semiconductor product manufacturing facility in the PRC, from which revenue generated for FY2021 amounted to RMB5.0 million, representing 2.1% of total cleanroom wall and ceiling systems revenue of the Group for FY2021.

Cleanroom equipment

Revenue from cleanroom equipment for FY2021 increased by RMB9.3 million or 149.2% as compared to FY2020. This is mainly due to a contract for supply of cleanroom equipment for a semiconductor product manufacturing facilities in the Philippines we obtained and completed in FY2021. We generated a revenue of RMB7.6 million, representing 48.8% of total cleanroom equipment revenue of the Group for FY2021, from such contract in FY2021.

Others

The Group also engaged in ancillary business such as trading of cleanroom equipment and components (mainly raised floor systems) and provision of cleanroom preventive maintenance services. Revenue from ancillary business for FY2021 increased by RMB9.9 million or 144.6% as compared to FY2020. Such increase was mainly due to certain contracts to supply raised floor systems products in Malaysia.

Revenue by geographical location

The following table sets forth a geographical breakdown of revenue of the Group, based on the locations at which the services were provided or the goods delivered.

	For the year ended 31 December			
	2021		2020	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%
The PRC (excluding Hong Kong)	143,671	53.7	123,968	60.9
Malaysia	50,012	18.7	29,272	14.3
Philippines	28,631	10.7	10,168	5.0
Singapore	38,291	14.3	29,885	14.7
Others	6,944	2.6	10,336	5.1
Total	<u>267,549</u>	<u>100</u>	<u>203,629</u>	<u>100.0</u>

For FY2021, the Group achieved growth in revenue in all of its major markets.

Revenue from the PRC for FY2021 increased by RMB19.7 million, or 15.9%, as compared to FY2020. Such increase was mainly due to the increase in cleanroom wall and ceiling systems contracts and projects in the PRC as explained above.

Revenue from Malaysia, Philippines and Singapore for FY2021 increased by RMB20.7 million, RMB18.5 million and RMB8.4 million respectively as compared to FY2021. Such increase was mainly due to the increase in sales of cleanroom wall and ceiling systems as well as cleanroom equipment and other products as explained above.

GROSS PROFIT AND GROSS PROFIT MARGIN

The following table sets forth the analysis of gross profit with respective gross profit margins by business segment.

	For the year ended 31 December			
	2021		2020	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	<i>RMB'000</i>	%	<i>RMB'000</i>	%
Cleanroom wall and ceiling systems	85,356	36.3	67,158	35.3
Cleanroom equipment	5,975	38.3	1,153	18.4
Others	3,976	23.7	3,854	56.2
Total	<u>95,307</u>	<u>35.6</u>	<u>72,165</u>	<u>35.4</u>

The gross profit margin of cleanroom wall and ceiling systems for FY2021 remained stable as compared to FY2020.

Gross profit margin of cleanroom equipment for FY2021 increased by 19.9 percentage points as compared FY2020. The increase in cleanroom equipment revenue for FY2021 had led to a higher operational efficiency which in turn resulted in the recovery of the gross profit margin during FY2021.

Gross profit margin of ancillary business in FY2021 decreased by 32.5 percentage points as compared to FY2020. The significant decrease in gross profit margin was mainly due to the competitive pricing offered by the Group to secure certain contracts to supply raised floor systems products in Malaysia, compounded by the absence of certain contracts with higher gross profit margin for the ancillary business in the Philippines.

SELLING AND DISTRIBUTION COSTS

Selling and distribution costs significantly increased by 43.9% to RMB11.4 million (2020: RMB7.9 million) with its percentage of revenue increasing to 4.2% (2020: 3.9%), which was mainly due to the increase in marketing and travelling expenses.

ADMINISTRATIVE AND OTHER OPERATING EXPENSES

Administrative and other operating expenses increased by 31.8% to RMB35.5 million (2020: RMB26.9 million), primarily attributable to the increase in staff costs and professional and compliance costs, partially offset by decrease in other expenses.

INCOME TAX EXPENSE

Income tax expense was RMB8.6 million for FY2021 (2020: RMB6.1 million). The decrease in effective tax rate, representing income tax expense divided by profit before income tax, from 36.5% for FY2020 to 19.9% for FY2021, was mainly due to the absence of listing expenses which are not deductible for tax purposes in the Group's subsidiaries in Malaysia and the decrease in other expenses not deductible for tax purposes in the Group's subsidiaries in Malaysia.

PROFIT FOR THE YEAR

As a result of the above and in particular, the increase in revenue from RMB203.6 million for FY2020 to RMB267.5 million for FY2021 and the absence of listing expenses, the net profit increased by 227.3% to RMB34.7 million (2020: RMB10.6 million). Net profit margin increased from 5.2% for FY2020 to 13.0% for FY2021.

Adjusted profit for the year

Adjusted profit for the year is not a financial measure under the HKFRSs and is presented to provide information for evaluation and comparison of the financial results of the Group. Although the financial measures are reconcilable to the line items in the consolidated financial statements, they should not be considered measures comparable to items in the consolidated financial statements in accordance with the HKFRSs. These measures may not be comparable to other similarly titled measures used by other companies. Adjusted profit for the year of the Group amounted to RMB34.7 million for FY2021, representing an increase of 29.9% as compared to that of RMB26.7 million for FY2020. Such increase was primary attributable to the increase in revenue as explained above.

	For the year ended	
	31 December	
	2021	2020
	RMB'000	RMB'000
Profit for the year	34,694	10,600
Add: Listing expenses	–	16,116
	<hr/>	<hr/>
Adjusted profit for the year	34,694	26,716
	<hr/> <hr/>	<hr/> <hr/>

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment amounted to RMB73.5 million and RMB32.6 million as at 31 December 2021 and 2020, respectively, and mainly comprised freehold land and building for the production facilities, warehouses and office premises in Malaysia of the Group. The increase in property, plant and equipment as at 31 December 2021 was mainly due to the Acquisition. For details, please refer to the paragraph headed “MATERIAL ACQUISITIONS AND DISPOSALS” in this announcement.

INVENTORIES

Inventories increased from RMB20.7 million as at 31 December 2020 to RMB32.0 million as at 31 December 2021. The increase was mainly attributable to the higher level of raw materials in storage to cater for unforeseeable additional lead time in supply chain due to lock-down measures and travel restrictions and also to cater for a few confirmed projects that required delivery in the first and second quarter of 2022.

TRADE AND OTHER RECEIVABLES

Trade and other receivables increased from RMB70.0 million as at 31 December 2020 to RMB94.7 million as at 31 December 2021, which is in line with the increment in revenue.

CONTRACT ASSETS

A contract asset is recognised when the Group recognises revenue before being unconditionally entitled to the consideration under the payment terms set out in the contract. The Group's contract assets comprised of unbilled revenue and retention receivables. Unbilled revenue arises when revenue had been recognised for the completion of cleanroom construction services that had been approved by the customers (supported by the customer-certified progress reports) or upon delivery of sales of goods but the Group is yet to be entitled to invoice the customers or be unconditionally/contractually entitled to the payment under the terms set out in the contracts. Retention receivables represented the retention monies required by the customers to secure the due performance of the contracts of the Group. Contract assets increased from RMB55.4 million as at 31 December 2020 to RMB74.3 million as at 31 December 2021, which is in line with the increment in revenue.

TRADE AND OTHER PAYABLES

Trade and other payables increased from RMB60.5 million as at 31 December 2020 to RMB79.6 million as at 31 December 2021. The increase was mainly attributable to the bulk purchase of raw material for on-going projects near to the end of the year ended 31 December 2021 and also to cater for a few confirmed projects that required delivery in the first and second quarter of 2022.

HUMAN RESOURCES

As at 31 December 2021, the total number of full-time employees of the Group was 176 (2020: 169). The remuneration of employees was determined according to their experience, qualifications, result of operations of the Group and market condition. We offer senior management performance-based bonus schemes to reward and retain a high caliber management team.

In determining the remuneration of the Directors, the Board will make reference to the proposal of the remuneration committee of the Company, taking into account, among others, their respective duties and responsibilities, individual performance and the prevailing market conditions.

During the year, staff costs including Directors' emoluments amounted to RMB30.8 million (2020: RMB24.3 million).

LIQUIDITY AND FINANCIAL RESOURCES AND BORROWINGS

Cash and cash equivalents remained stable at RMB110.5 million as at 31 December 2021.

As at 31 December 2021, borrowings increased to RMB62.2 million (2020: RMB22.9 million) with effective interest rates of range from 2.3% to 4.6% (2020: from 3.8% to 4.7%), per annum. The increase is mainly due to the new mortgage loans in the Malaysia for the Acquisition.

The gearing ratio, which was calculated on the basis of bank borrowings and lease liabilities divided by total equity, was 0.29 (2020: 0.12).

CAPITAL EXPENDITURE AND COMMITMENTS

During the Year, total investment in property, plant and equipment was RMB45.5 million (2020: RMB3.9 million), in which 96.5% was mainly used for the Acquisition.

As at 31 December 2021, the Group had no contracted capital commitments.

CAPITAL STRUCTURE

As at the date of this announcement, the issued share capital of the Company was HK\$14.0 million, comprising 1,400,000,000 Shares of nominal value of HK\$0.01 per Share.

SIGNIFICANT INVESTMENTS

As at 31 December 2021, the Group held no major investment.

MATERIAL ACQUISITIONS AND DISPOSALS

As disclosed in the Company's announcement dated 16 April 2021, Channel Systems (Asia) Sdn, Bhd, a wholly-owned subsidiary of the Company has entered into the sale and purchase agreement with Info Cahaya Sdn. Bhd., an independent third party, to acquire a parcel of freehold industrial land situated in Negeri Selangor, Malaysia. The land has a site area of approximately 16,056 square metres and will be used for construction of the new factory in order to expand the Company's production capacity in Malaysia. The consideration of the acquisition is RM26,787,903.00 (equivalent to approximately RMB42,403,367). As at the date of this announcement, the Group is in the process of obtaining government approvals for the construction plan of the new factory.

Save as disclosed above, the Group had no material acquisitions or disposals of subsidiaries and associated companies.

EVENTS AFTER THE REPORTING PERIOD

There were no significant events after the reporting period up to the date of this announcement.

CHARGES ON THE GROUP'S ASSETS

As at 31 December 2021, RMB1.6 million (2020: RMB2.0 million) of the Group's bank deposits were pledged for the purpose of the performance, retention monies and advance payment guarantee in respect of the cleanroom projects. As at 31 December 2021, the Group's bank loans of RMB47.0 million (2020: RMB13.9 million) were secured by the legal charges over the Group's freehold land and building.

Other than the above, as at 31 December 2021, none of the assets of the Group were pledged.

FOREIGN EXCHANGE EXPOSURE

The Group's reporting currency is RMB, and the Group is exposed to translational foreign currency risks primarily as a result of revenue that is denominated in foreign currencies other than RMB and purchases that are denominated in foreign currencies other than RMB. As such, fluctuations in foreign exchange rates could result in exchange loss. The Directors have assessed the impact of such foreign currency risk and considered that it may materially affect the Group's profitability. The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group monitors its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

CONTINGENT LIABILITIES

As at 31 December 2021, the Group did not have any contingent liabilities.

FINAL DIVIDEND

The Board has proposed the payment of a final dividend of HK0.67 cents per Share for the year ended 31 December 2021 (FY2020: HK0.36 cents per Share) to the shareholders of the Company (the "**Shareholders**") whose names appear on the register of members of the Company at the close of business on Thursday, 9 June 2022. The final dividend will be paid on or before Thursday, 23 June 2022, subject to the Shareholders' approval at the annual general meeting of the Company (the "**AGM**").

CLOSURE OF REGISTER OF MEMBERS

The AGM will be held on Tuesday, 31 May 2022 and for the purpose of determining the Shareholders' eligibility to attend and vote at the AGM, the register of members of the Company will be closed from Thursday, 26 May 2022 to Tuesday, 31 May 2022, both dates inclusive, during the period no transfer of the shares will be registered. To qualify for attending and voting at the AGM, all properly completed share transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on Wednesday, 25 May 2022.

Upon obtaining approval of the Shareholders at the forthcoming AGM, for the purpose of determining the Shareholders' entitlement to the final dividend, the register of members of the Company will be closed from Tuesday, 7 June 2022 to Thursday, 9 June 2022, both dates inclusive, during the period no transfer of the shares will be registered. To qualify for the proposed final dividend, all properly completed share transfer forms together with the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on Monday, 6 June 2022.

CORPORATE GOVERNANCE

The Board is committed to maintaining high corporate governance standards and plays a major role in the supervision of corporate governance to ensure that the Company maintains a sound governance framework and the long-term sustainable Shareholders' value. The Board believes that high corporate governance standards are essential in providing a framework for the Group to safeguard the interests of Shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

The Company has adopted the principles and code provisions of the Corporate Governance Code (the "**CG Code**") as set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") as the basis of the Company's corporate governance practices.

The Board is of the view that, the Company has fully complied with all the applicable code provisions as set out in the CG Code, except for code provision A.2.1 as set out below, throughout the Year.

Pursuant to code provision A.2.1 of the CG Code, the roles of the chairman and the chief executive should be separate and should not be performed by the same individual. During FY2021, the post of chief executive had been vacant and the duties of chief executive were performed by the chairman of the Company, Mr. Ng Yew Sum. The Board considers that the balance of power and authority, accountability and independent decision-making under its present arrangement will not be impaired in light of the diverse background and experience of its three independent non-executive Directors. Further, the audit committee of the Company (the “**Audit Committee**”) comprises exclusively of independent non-executive Directors has free and direct access to the Company’s external auditors and independent professional advisers when it considers necessary. Therefore, the Directors consider that the deviation from Code Provision A.2.1 of the CG Code is appropriate in such circumstance. However, the Board will continue to review the current structure and if a candidate with suitable knowledge, skill and experience is identified, the Board will make an appointment to fill the post of chief executive as appropriate.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuer (the “**Model Code**”) as set out in Appendix 10 to the Listing Rules as its own code of conduct for dealing in securities of the Company by the Directors. Having made specific enquiries with all Directors, all Directors confirmed that they have complied with the required standard set out in the Model Code regarding their transactions throughout the Year.

AUDIT COMMITTEE

The Company established the Audit Committee with written terms of reference which deal clearly with its authority and duties. The Audit Committee currently consists of three independent non-executive Directors, namely Mr. Martin Giles Manen, Mr. Ng Seng Leong and Mr. Wu Chun Sing. Mr. Martin Giles Manen is the chairman of the Audit Committee.

The Group’s audited consolidated annual results for the year ended 31 December 2021 have been reviewed by the Audit Committee.

The figures in respect of the Group’s consolidated statement of financial position as at 31 December 2021, consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2021, and the related notes thereto as set out in this announcement have been agreed by the Group’s auditors, Grant Thornton Hong Kong Limited, to the amounts set out in the Group’s audited consolidated financial statements for the year ended 31 December 2021. The work performed by Grant Thornton Hong Kong Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by Grant Thornton Hong Kong Limited on this announcement.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

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

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This announcement is published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<https://www.channelmicron.com/>) respectively.

The annual report of the Company for the year ended 31 December 2021 containing all the relevant information required by the Listing Rules and the relevant laws and regulations will be dispatched to the Shareholders and made available on the above websites in due course.

APPRECIATION

On behalf of the Board, I would like to thank all our stakeholders and business partners for their ongoing support, and our Directors, management and employees for their dedication and contributions to our progress.

By Order of the Board
Channel Micron Holdings Company Limited
Ng Yew Sum
Chairman and Executive Director

Hong Kong, 30 March 2022

As at the date of this announcement, the Board comprises: (1) Mr. NG Yew Sum (Chairman), Mr. CHIN Sze Kee, Mr. LAW Eng Hock, Mr. LIM Kai Seng and Ms. YAP Chui Fan as the executive Directors; and (2) Mr. NG Seng Leong, Mr. Martin Giles MANEN and Mr. WU Chun Sing as the independent non-executive Directors.