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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)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2023 AND CHANGE IN USE OF PROCEEDS FROM INITIAL PUBLIC OFFERING

FINANCIAL HIGHLIGHTS

The financial highlights of the Group during the six months ended 30 June 2023 (“**1H2023**”) together with the comparative figures for the six months ended 30 June 2022 (“**1H2022**”) are set out as follows:

	For the six months ended 30 June		Change
	2023	2022	
	<i>RMB'000</i>	<i>RMB'000</i>	
Revenue	144,157	254,469	(43.3)%
Gross profit	51,576	76,460	(32.5)%
Profit for the period	31,002	39,539	(21.6)%
	<i>RMB cents</i>	<i>RMB cents</i>	
Earnings per share			
Basic and diluted	2.20	2.82	
Gross profit margin	35.8%	30.0%	
Net profit margin	21.5%	15.5%	

INTERIM RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of Channel Micron Holdings Company Limited (the “**Company**”) is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (collectively the “**Group**”) for the six months ended 30 June 2023, together with the comparative figures for the previous corresponding period as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2023

		Six months ended 30 June	
		2023	2022
	Notes	RMB'000	RMB'000
		(unaudited)	(unaudited)
Revenue	4	144,157	254,469
Cost of sales		(92,581)	(178,009)
Gross profit		51,576	76,460
Other income	5	2,526	1,917
Other gains and losses	6	2,380	950
Selling and distribution costs		(1,300)	(5,365)
Administrative and other operating expenses		(12,995)	(12,394)
(Provision for)/Reversal of credit losses of trade receivables, net	8	(1,448)	2,114
Reversal of/(Provision for) credit losses of contract assets, net	8	1,758	(6,550)
Research and development expenses	8	(2,651)	(3,768)
Finance costs	7	(511)	(1,233)
Profit before income tax	8	39,335	52,131
Income tax expense	9	(8,333)	(12,592)
Profit for the period		31,002	39,539

	Six months ended 30 June	
	2023	2022
<i>Notes</i>	RMB'000	RMB'000
	(unaudited)	(unaudited)
Other comprehensive (expense)/income		
<i>Item that will not be reclassified subsequently to profit or loss:</i>		
Surplus on revaluation of freehold land held for own use	113	–
Deferred tax arising from revaluation of freehold land	(27)	–
	<u>86</u>	–
<i>Item that will be reclassified subsequently to profit or loss:</i>		
Exchange differences on translation of foreign operations	(500)	617
Other comprehensive (expense)/income for the period, net of tax	<u>(414)</u>	<u>617</u>
Total comprehensive income for the period	<u><u>30,588</u></u>	<u><u>40,156</u></u>
Profit for the period attributable to:		
Equity holders of the Company	30,820	39,491
Non-controlling interests	182	48
	<u>31,002</u>	<u>39,539</u>
Total comprehensive income for the period attributable to:		
Equity holders of the Company	30,406	40,108
Non-controlling interests	182	48
	<u>30,588</u>	<u>40,156</u>
	<i>RMB cents</i>	<i>RMB cents</i>
Earnings per share for profit attributable to equity holders of the Company		
Basic and diluted	<i>11</i> <u>2.20</u>	<u>2.82</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

		As at 30 June 2023 <i>RMB'000</i> (unaudited)	As at 31 December 2022 <i>RMB'000</i> (audited)
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	12	75,301	75,240
Deferred tax assets		4,640	4,606
		79,941	79,846
Current assets			
Inventories		48,733	40,484
Trade and other receivables	13	75,019	75,874
Contract assets	14	103,540	104,620
Amounts due from related parties		22	374
Income tax recoverable		7,312	4,222
Financial assets at fair value through profit or loss (“FVTPL”)		2,000	–
Pledged bank deposits		2,244	1,552
Cash and cash equivalents		132,849	160,084
		371,719	387,210
Current liabilities			
Trade and other payables	15	60,283	94,860
Contract liabilities	14	15,440	5,255
Amounts due to related parties		31	73
Lease liabilities		1,234	2,708
Borrowings	16	56,172	60,483
Income tax payable		6,740	7,912
		139,900	171,291
Net current assets		231,819	215,919
Total assets less current liabilities		311,760	295,765
Non-current liabilities			
Lease liabilities		819	1,033
Deferred tax liabilities		2,689	2,727
		3,508	3,760
Net assets		308,252	292,005
EQUITY			
Share capital	17	12,152	12,152
Reserves		294,781	278,716
		306,933	290,868
Equity attributable to equity holders of the Company		306,933	290,868
Non-controlling interests		1,319	1,137
Total equity		308,252	292,005

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2023

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 Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 15 October 2020.

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.

2. BASIS OF PREPARATION

The condensed consolidated interim financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) as well as the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”).

The condensed consolidated interim financial statements are presented in Renminbi (“**RMB**”), which is the functional currency of the Company and its major subsidiaries, and all values are rounded to the nearest thousand (“**RMB’000**”) except when otherwise indicated.

The condensed consolidated interim financial statements do not include all the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2022. The accounting policies and critical accounting judgments and estimates used in the preparation of the condensed consolidated interim financial statements are consistent with those applied in the Group’s annual consolidated financial statements for the year ended 31 December 2022, except for the adoption of new and amended Hong Kong Financial Reporting Standards (“**HKFRSs**”) as disclosed in note 3.

3. ADOPTION OF NEW AND AMENDED HKFRSs

New and amended HKFRSs that are effective for annual period beginning on 1 January 2023

The condensed consolidated interim financial statements for the six months ended 30 June 2023 have been prepared in accordance with the accounting policies adopted in the Group's annual consolidated financial statements for the year ended 31 December 2022, except for the adoption of the following amended HKFRSs which are effective as of 1 January 2023.

HKFRS 17	Insurance Contracts with related amendments
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform — Pillar Two Model Rules

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

Issued but not yet effective HKFRSs

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

Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ²
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback ¹
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements ¹
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 ¹
Amendments to HKAS 1	Non-current Liabilities with Covenants ¹

¹ Effective for annual periods beginning on or after 1 January 2024

² Effective date not yet determined

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 HKFRSs are not expected to have a material impact on the Group's condensed consolidated interim financial statements.

4. REVENUE AND SEGMENT INFORMATION

4.1 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:

	Six months ended 30 June	
	2023 RMB'000 (unaudited)	2022 RMB'000 (unaudited)
Timing of revenue recognised over time		
— Cleanroom projects	68,809	152,120
Timing of revenue recognised at a point in time		
— Sales of goods	75,348	102,349
	<u>144,157</u>	<u>254,469</u>

4.2 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 (i.e. executive directors of the Company) for the purpose of resources allocation and assessment of segment performance for the six months ended 30 June 2023 is as follows:

	Cleanroom wall and ceiling systems RMB'000	Cleanroom equipment RMB'000	Others RMB'000	Total RMB'000
Six months ended 30 June 2023 (unaudited)				
Reportable segment revenue	130,290	9,969	3,898	144,157
Reportable segment cost of sales	(84,319)	(6,159)	(2,103)	(92,581)
Reportable segment gross profit	45,971	3,810	1,795	51,576
Six months ended 30 June 2022 (unaudited)				
Reportable segment revenue	236,033	5,730	12,706	254,469
Reportable segment cost of sales	(165,504)	(5,274)	(7,231)	(178,009)
Reportable segment gross profit	70,529	456	5,475	76,460

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.

	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Revenue from external customers		
— The PRC (excluding Hong Kong)	79,893	154,777
— Malaysia	51,610	43,214
— Philippines	5,882	24,928
— Singapore	2,908	14,629
— The United States	—	9,178
— Others	3,864	7,743
	144,157	254,469

	As at 30 June 2023 RMB'000 (unaudited)	As at 31 December 2022 RMB'000 (audited)
Specified non-current assets		
— The PRC (excluding Hong Kong)	3,185	4,625
— Malaysia	71,866	70,396
— Others	250	219
	<u>75,301</u>	<u>75,240</u>

5. OTHER INCOME

	Six months ended 30 June	
	2023 RMB'000 (unaudited)	2022 RMB'000 (unaudited)
Bank interest income	372	264
Government grants (<i>note</i>)	1,445	–
Insurance income	–	1,028
Sundry income	709	625
	<u>2,526</u>	<u>1,917</u>

Note:

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.

6. OTHER GAINS AND LOSSES

	Six months ended 30 June	
	2023 RMB'000 (unaudited)	2022 RMB'000 (unaudited)
Exchange gains, net	152	791
Loss on lease termination	(5)	–
(Loss)/Gain on disposal of property, plant and equipment	(4)	159
Surplus on revaluation of freehold land	2,237	–
	<u>2,380</u>	<u>950</u>

7. FINANCE COSTS

	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Interest charges on:		
— bank loans	445	1,169
— lease liabilities	66	64
	<u>511</u>	<u>1,233</u>

8. PROFIT BEFORE INCOME TAX

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

	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Auditors' remuneration	7	169
Cost of inventories recognised as an expense, including write-down of inventories to net realisable value, net	73,081	144,090
Depreciation of property, plant and equipment on:		
— owned assets	628	614
— right-of-use assets	1,490	1,170
Provision for/(Reversal of) credit losses of trade receivables, net	1,448	(2,114)
(Reversal of)/Provision for credit losses of contract assets, net	(1,758)	6,550
Loss/(Gain) on disposal of property, plant and equipment	4	(159)
Research and development expenses (including staff costs)	2,651	3,768
Surplus on revaluation of freehold land	(2,337)	–
Employee benefit expenses (including directors' emoluments)	15,543	14,697
Short-term leases charges	1,045	667
Exchange gains, net	(152)	(791)

9. 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% (six months ended 30 June 2022: 24%) on the estimated assessable profit for the six months ended 30 June 2023 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% (six months ended 30 June 2022: 25%) 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 1% (six months ended 30 June 2022: 1%) minimum corporate income tax on gross income or tax equivalent to 25% (six months ended 30 June 2022: 25%) 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% (six months ended 30 June 2022: 25%) on the estimated assessable profit for the six months ended 30 June 2023 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, it entitled to a preferential income tax rate of 15% (six months ended 30 June 2022: 15%) on its estimated assessable profit for the six months ended 30 June 2023.

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 preferential income tax rate of 10% on its estimated assessable profit for the six months ended 30 June 2022.

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% (six months ended 30 June 2022: 200%) for the six months ended 30 June 2023 of its research and development expenses so incurred as tax deductible expenses when determining its assessable profit for the six months ended 30 June 2023 ("**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 six months ended 30 June 2023 and 2022.

	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Current tax		
The PRC EIT		
— Current period	2,676	5,143
Malaysian Income Tax		
— Current period	5,438	7,353
Philippines Income Tax		
— Current period	316	156
	8,430	12,652
Deferred tax		
— Current period	(97)	(60)
Income tax expense	8,333	12,592

10. DIVIDENDS

	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Dividends to equity holders	14,341	7,762

Pursuant to a written resolution passed by the directors of the Company on 30 March 2022, a final dividend of HK0.67 cents per share in respect of the year ended 31 December 2021 has been declared and paid.

Pursuant to a written resolution passed by the directors of the Company on 15 February 2023 and 30 March 2023, a special dividend and a final dividend of HK0.46 cents per share and HK0.70 cents per share, respectively, in respect of the year ended 31 December 2022 have been declared and paid.

The interim dividend of HK0.75 cents per share has been 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 six months ended 30 June 2023.

11. EARNINGS PER SHARE

	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Earnings		
Profit for the period attributable to equity holders of the Company for the purposes of basic earnings per share	<u>30,820</u>	<u>39,491</u>
Number of shares	<i>'000</i>	<i>'000</i>
Weighted average number of ordinary shares for the purposes of basic earnings per share	<u>1,400,000</u>	<u>1,400,000</u>

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

12. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2023, the additions of property, plant and equipment including furniture, fittings and equipment, leasehold improvement, motor vehicles and plant and machinery was approximately RMB432,000 (six months ended 30 June 2022: RMB545,000, including furniture, fittings and equipment, leasehold improvement, motor vehicles and plant and machinery). The total additions to right-of-use assets included in property, plant and equipment was approximately RMB125,000 during the six months ended 30 June 2023 (six months ended 30 June 2022: RMB1,342,000).

During the six months ended 30 June 2023, items of property, plant and equipment including furniture, fittings and equipment and motor vehicles with total carrying amount of approximately RMB6,000 were disposed of (six months ended 30 June 2022: RMB159,000, including furniture, fittings and equipment and motor vehicles), and nil of property, plant and equipment were written off (six months ended 30 June 2022: RMB29,000).

13. TRADE AND OTHER RECEIVABLES

	As at 30 June 2023 RMB'000 (unaudited)	As at 31 December 2022 RMB'000 (audited)
Trade receivables	63,989	66,007
Less: expected credit losses (“ECL”) allowance	<u>(6,412)</u>	<u>(4,978)</u>
	57,577	61,029
Bill receivables	<u>3,398</u>	<u>3,124</u>
	<u>60,975</u>	<u>64,153</u>
Other receivables		
— Prepayments	2,829	3,526
— Other tax receivables	6,713	4,447
— Other receivables	3,411	2,452
— Rental and other deposits	<u>1,136</u>	<u>1,341</u>
	14,089	11,766
Less: ECL allowance	<u>(45)</u>	<u>(45)</u>
	<u>14,044</u>	<u>11,721</u>
	<u><u>75,019</u></u>	<u><u>75,874</u></u>

All bill receivables are due within one year.

The credit period is generally for a period of 0 to 90 days (31 December 2022: 0 to 90 days). Based on the invoice dates, the ageing analysis of trade receivables, net of ECL allowance, was as follows:

	As at 30 June 2023 RMB'000 (unaudited)	As at 31 December 2022 RMB'000 (audited)
0–90 days	38,439	34,037
91–180 days	4,172	21,401
181–365 days	14,169	3,408
Over 365 days	<u>797</u>	<u>2,183</u>
	<u><u>57,577</u></u>	<u><u>61,029</u></u>

The movement in the ECL allowance of trade receivables is as follows:

	As at 30 June 2023 <i>RMB'000</i> (unaudited)	As at 31 December 2022 <i>RMB'000</i> (audited)
At the beginning of the period/year	4,978	8,154
Net provision for/(reversal of) ECL allowance recognised during the period/year	1,448	(3,265)
Exchange realignment	(14)	89
	<u>6,412</u>	<u>4,978</u>

The movement in the ECL allowance of other receivables is as follows:

	As at 30 June 2023 <i>RMB'000</i> (unaudited)	As at 31 December 2022 <i>RMB'000</i> (audited)
At the beginning of the period/year	45	32
ECL allowance recognised during the period/year	–	13
	<u>45</u>	<u>45</u>

14. CONTRACT ASSETS AND CONTRACT LIABILITIES

14.1 Contract assets

	As at 30 June 2023 <i>RMB'000</i> (unaudited)	As at 31 December 2022 <i>RMB'000</i> (audited)
Contract assets arising from		
— Cleanroom projects	107,666	109,610
— Sales of goods	716	1,610
Less: ECL allowance	(4,842)	(6,600)
	<u>103,540</u>	<u>104,620</u>

The movement in the ECL allowance of contract assets is as follows:

	As at 30 June 2023 RMB'000 (unaudited)	As at 31 December 2022 RMB'000 (audited)
At the beginning of the period/year	6,600	7,065
Net reversal of ECL allowance recognised during the period/year	(1,758)	(445)
Exchange realignment	—	(20)
	<u>4,842</u>	<u>6,600</u>

14.2 Contract liabilities

	As at 30 June 2023 RMB'000 (unaudited)	As at 31 December 2022 RMB'000 (audited)
Contract liabilities arising from		
— Cleanroom projects from billings in advance of performance	3,049	1,466
— Receiving deposits of manufacturing orders	12,391	3,789
	<u>15,440</u>	<u>5,255</u>

15. TRADE AND OTHER PAYABLES

	As at 30 June 2023 RMB'000 (unaudited)	As at 31 December 2022 RMB'000 (audited)
Trade payables	48,939	66,254
Other payables		
— Accrued expenses	4,024	11,271
— Other tax payables	810	5,976
— Other payables	6,510	11,359
	<u>11,344</u>	<u>28,606</u>
	<u>60,283</u>	<u>94,860</u>

The Group was granted by its supplier credit periods ranging from 30 to 90 days (31 December 2022: 30 to 90 days). Based on the invoice dates, the ageing analysis of trade payables were as follows:

	As at 30 June 2023 <i>RMB'000</i> (unaudited)	As at 31 December 2022 <i>RMB'000</i> (audited)
0–90 days	30,225	48,681
91–180 days	3,850	7,943
181–365 days	6,242	4,780
Over 365 days	8,622	4,850
	<u>48,939</u>	<u>66,254</u>

16. BORROWINGS

	As at 30 June 2023 <i>RMB'000</i> (unaudited)	As at 31 December 2022 <i>RMB'000</i> (audited)
Bank loans, wholly repayable within one year or on demand		
— Secured	43,172	45,483
— Unsecured	13,000	15,000
	<u>56,172</u>	<u>60,483</u>

As at 30 June 2023, the bank loans bear effective interest rates of range from 3.7% to 4.4% (31 December 2022: 3.7% to 4.4%) per annum.

As at 30 June 2023, the Group's bank loans of RMB43,172,000 (31 December 2022: RMB45,483,000) were secured by the legal charges over the Group's freehold land and building.

17. SHARE CAPITAL

	As at 30 June 2023 <i>RMB'000</i> (unaudited)	As at 31 December 2022 <i>RMB'000</i> (audited)
Authorised:		
10,000,000,000 ordinary shares of HK\$0.01 each	<u>86,773</u>	<u>86,773</u>
Issued and fully paid:		
1,400,000,000 ordinary shares of HK\$0.01 each	<u>12,152</u>	<u>12,152</u>

18. RELATED PARTY TRANSACTIONS

Other than as disclosed in elsewhere to the condensed consolidated interim financial statements, the Group entered into the following material related party transactions during the period.

18.1 Transactions with related parties

	Six months ended 30 June	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
Sales of goods to related companies		
— Sum Technic Sdn. Bhd. (<i>note a</i>)	102	5,945
— Micronaire Global Sdn. Bhd. (<i>note b</i>)	—	110
	<u>102</u>	<u>6,055</u>

Notes:

- (a) Sum Technic Sdn. Bhd. is a related company controlled by Ng Yew Sum, Chin Sze Kee and Law Eng Hock, the controlling shareholders of the Company.
- (b) Micronaire Global Sdn. Bhd. is a related company controlled by Ng Yew Sum, Francis Chia Mong Tet, Chin Sze Kee, Law Eng Hock and Lim Kai Seng, the controlling shareholders of the Company.

18.2 Key management personnel remuneration

	Six months ended 30 June	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
Salaries, allowances and other benefits	4,087	3,669
Retirement scheme contributions	387	321
	<u>4,474</u>	<u>3,990</u>

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW OF OPERATIONS

For the six months ended 30 June 2023 (“**1H2023**”), the Group’s revenue experienced a notable decrease of approximately 43.3%, while its net profit saw a decline of around 21.6% compared to the corresponding period last year (“**1H2022**”) as the decline in revenue was partially offset by the increase in gross profit margin, and decrease in selling and distribution costs. The decline in revenue was predominantly driven by a reduction of approximately 44.8% in revenue from cleanroom wall and ceiling systems.

The US-China trade tensions had a significant impact on investments and construction progress for the semiconductor facilities located in the People’s Republic of China (“**PRC**”). As economic headwinds persists, weak end-making electronics demand is spreading from consumers to businesses, creating an uncertain investment environment. In addition, elevating inventories and reduced microchips price have resulted in decline in investment sentiment in the semiconductor industry directly affected the demand for our cleanroom wall and ceiling systems and other products, particularly in the PRC market.

Notwithstanding the overall revenue decline, the Group achieved a noteworthy growth of approximately 74.0% within its cleanroom equipment segment. This achievement underscores the Company capacity to adapt to evolving market dynamics. Furthermore, amidst the revenue decline in various regions, the Group demonstrated growth in revenue from Malaysia, recording an increase of about 19.4%. This accomplishment underscores the successful execution of our strategic initiative to diversify our market reach.

In a move to enhance its production capabilities, the Group procured a land parcel spanning approximately 16,056 square meters in Malaysia, where it intends to build a new production facility (the “**New Production Facility**”). While verbal clearance from the Malaysian government for the construction plan was received in August 2022, the Group is still awaiting the issuance of the official approval letter at the time of this announcement. Consequently, the full operational launch of the New Production Facility has been rescheduled from the second quarter of 2024 to the third quarter of 2024.

Meanwhile, in the PRC, the Group is actively engaged in the search for suitable premises. As an interim measure, the Group rented a temporary factory and the lease of which would end in November 2023. As of this announcement, the Group has yet to find a suitable premises which meets its requirements in terms of size and location.

OUTLOOK

The Group was founded in 1989 and has grown along with the cleanroom industry in Asia from the 1990’s to the present. Through its dedicated efforts, the Group has established the “Channel Systems” brand for its cleanroom wall and ceiling systems and

the “Micron” brand for its cleanroom equipment. While acknowledging the persistent challenges, particularly evident in the PRC market, the Group maintains a cautiously optimistic outlook for the future. This outlook is cautiously anchored in the potential market prospects unfolding across Southeast Asia, where a sustained investment trajectory in the semiconductor industry and data centers is expected. Moreover, based on the latest timeline for the Group’s on-going cleanroom wall and ceiling systems projects within Southeast Asia, greater project progress are expected in the latter half of 2023, as compared to 1H2023.

The Group attributes its ability in navigating uncertainties to the strength of its enduring relationships with customers. These relationships are complemented by the Group’s well-established brand name and a robust track record. Looking ahead, the Group remains committed to adapting to evolving market dynamics, safeguarding the long-term success of the Company.

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 six months ended 30 June			
	2023		2022	
	<i>RMB’000</i>	<i>%</i>	<i>RMB’000</i>	<i>%</i>
Cleanroom wall and ceiling systems	130,290	90.4	236,033	92.7
Cleanroom equipment	9,969	6.9	5,730	2.3
Others	3,898	2.7	12,706	5.0
Total	<u>144,157</u>	<u>100.0</u>	<u>254,469</u>	<u>100.0</u>

Cleanroom wall and ceiling systems

Revenue from cleanroom wall and ceiling systems for 1H2023 decreased by RMB105.7 million (or 44.8%) as compared to 1H2022. The Group’s sales for cleanroom wall and ceiling systems from the PRC and other markets decreased by approximately RMB74.9 million (or 48.4%), and approximately RMB30.9 million (or 38.0%) respectively. The decline in sales for the PRC market was mainly attributable to delays in multiple projects, which in turn was due to US-China trade tensions resulting in disruption in the investments and construction progress for the semiconductor facilities located in the PRC. For other markets, the decline was due to the fact that the existing projects-on-hand are scheduled to achieve more progress in the second half of the year.

The more sizable contracts the Group undertook in 1H2023 included:

- (a) 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 1H2023 amounted to RMB31.7 million, representing 24.3% of total cleanroom wall and ceiling systems revenue of the Group for 1H2023;
- (b) 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 1H2023 amounted to RMB14.6 million, representing 11.2% of total cleanroom wall and ceiling systems revenue of the Group for 1H2023;
- (c) a contract to supply cleanroom wall and ceiling system products with installation services for the construction of a semiconductor raw material manufacturing facility in the PRC, from which revenue generated for 1H2023 amounted to RMB12.7 million, representing 9.7% of total cleanroom wall and ceiling systems revenue of the Group for 1H2023;
- (d) 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 1H2023 amounted to RMB8.9 million, representing 6.8% of total cleanroom wall and ceiling systems revenue of the Group for 1H2023;
- (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 1H2023 amounted to RMB6.6 million, representing 5.0% of total cleanroom wall and ceiling systems revenue of the Group for 1H2023;
- (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 1H2023 amounted to RMB6.5 million, representing 5.0% of total cleanroom wall and ceiling systems revenue of the Group for 1H2023; and
- (g) 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 1H2023 amounted to RMB5.8 million, representing 4.5% of total cleanroom wall and ceiling systems revenue of the Group for 1H2023.

Cleanroom equipment

Revenue from cleanroom equipment for 1H2023 increased by RMB4.2 million or 74.0% as compared to 1H2022 mainly because the Group completed two significant contract in 1H2023 for supply of cleanroom equipment for semiconductor product manufacturing facilities in the Malaysia and Portugal, which generated an aggregate revenue of RMB4.7 million, representing 47.6% of total cleanroom equipment revenue of the Group for 1H2023.

Others

The Group also engages 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 1H2023 decreased by RMB8.8 million or 69.3% as compared to 1H2022. The decrease was attributable to delay in delivery schedules for contracts on hand in 1H2023 and as well as the fact that the Group completed a relatively larger size contract to supply raised floor systems in Philippines in 1H2022.

Revenue by geographical location

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

	Six months ended 30 June	
	2023 RMB'000 (unaudited)	2022 RMB'000 (unaudited)
Revenue from external customers		
— The PRC (excluding Hong Kong)	79,893	154,777
— Malaysia	51,610	43,214
— Philippines	5,882	24,928
— Singapore	2,908	14,629
— United States	—	9,178
— Others	3,864	7,743
	<u>144,157</u>	<u>254,469</u>

Revenue from the PRC for 1H2023 decreased by RMB74.9 million, or 48.4%, as compared to 1H2022. Such increase was mainly due to the decrease in revenue cleanroom wall and ceiling systems in the PRC as explained above.

Revenue from Malaysia for 1H2023 increased by RMB8.4 million, or 19.4%, as compared to 1H2022 mainly due to the increase in sales of cleanroom wall and ceiling systems and cleanroom equipment in Malaysia.

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 six months ended 30 June			
	2023		2022	
	Gross profit	Gross profit	Gross profit	Gross profit
	profit	margin	profit	margin
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
Cleanroom wall and ceiling systems	45,971	35.3	70,529	29.9
Cleanroom equipment	3,810	38.2	456	8.0
Others	1,795	46.0	5,475	43.1
Total	<u>51,576</u>	35.8	<u>76,460</u>	30.0

The gross profit margin of cleanroom wall and ceiling systems for 1H2023 increased by 5.4 percentage points as compared to 1H2022. The gross profit margin for 1H2022 was particular low due to the lockdown measures in Shanghai, the Group's production and projects were temporarily suspended for around two months from late March 2022 to end of May 2022, which in turn resulted in additional material costs and labour costs to catch up with the production progress. The gross profit margin returned to a normal level in 1H2023.

The gross profit margin for cleanroom equipment increased to 38.2% for 1H2023 as compared to a gross profit margin of 8.0% for 1H2022 mainly due to economies of scale.

Gross profit margin of ancillary business for 1H2023 remained relatively stable at 46.0% as compared to a gross profit margin of 43.1% 1H2022.

OTHER INCOME

During 1H2023, the Group recorded other income of RMB2.5 million in which RMB1.4 million represents subsidies received from provincial government in the PRC for subsidizing the Group's operations.

OTHER GAINS

Other gains amounted to RMB2.4 million in 1H2023 which mainly represented surplus on revaluation of the land parcel in Malaysia for the New Production Facility.

SELLING AND DISTRIBUTION COSTS

Selling and distribution costs decreased by 75.8% to RMB1.3 million (1H2022: RMB5.4 million), which was mainly due to reversal of over-provision of commission expenses and lower logistic expenses compared to last correspondence period.

ADMINISTRATIVE AND OTHER OPERATING EXPENSES

Administrative and other operating expenses remained stable at RMB13.0 million (1H2022: RMB12.4 million), which was mainly due to lower expected credit loss provision as a result of improved receivables and contract assets.

INCOME TAX EXPENSE

Income tax expense was RMB8.3 million for 1H2023 (1H2022: RMB12.6 million). The decrease in effective tax rate, representing income tax expense divided by profit before income tax, from 24.2% for 1H2022 to 21.2% for 1H2023, was mainly due to decrease in other expenses not deductible for tax purpose in the Group's subsidiaries in Malaysia.

PROFIT FOR THE PERIOD

As a result of the above, net profit decreased by 21.6% to RMB31.0 million (1H2022: RMB39.5 million). Net profit margin increased from 15.5% for 1H2022 to 21.5% for 1H2023.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment remained stable at RMB75.3 million and RMB75.2 million as at 30 June 2023 and 31 December 2022, respectively, and mainly comprised freehold land and building for the production facilities, warehouses and office premises in Malaysia of the Group.

TRADE AND OTHER RECEIVABLES

Trade and other receivables remained relatively stable at RMB75.0 million and RMB75.9 million as at 30 June 2023 and 31 December 2022.

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 remained stable at RMB103.5 million as at 30 June 2023 as compared to RMB104.6 million as at 31 December 2022.

TRADE AND OTHER PAYABLES

Trade and other payables decreased from RMB94.9 million as at 31 December 2022 to RMB60.3 million as at 30 June 2023 which is in line with the decline in costs of sales.

HUMAN RESOURCES

As at 30 June 2023, the total number of full-time employees of the Group was 206 (as at 30 June 2022: 212). The remuneration of employees was determined according to their experience, qualifications, result of operations of the Group and market condition.

During 1H2023, staff costs including Directors' emoluments remained relatively stable at RMB15.5 million (1H2022: RMB14.7 million).

LIQUIDITY AND FINANCIAL RESOURCES AND BORROWINGS

As at 30 June 2023, cash and cash equivalents amounted to RMB132.8 million (as at 31 December 2022: RMB160.1 million). The decrease is mainly due to cash generated used in payment of dividend and repayment of bank borrowings. Most of the cash and cash equivalents were denominated in Hong Kong Dollars, Malaysia Ringgit and Renminbi.

As at 30 June 2023, bank borrowings amounted to RMB56.2 million (as at 31 December 2022: RMB60.5 million) with effective interest rates of range from 3.7% to 4.4% (as at 31 December 2022: 3.7% to 4.4%), per annum.

The gearing ratio, which was calculated on the basis of bank borrowings and lease liabilities divided by total equity was 0.19 (as at 31 December 2022: 0.22).

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 the Company (the “**Shares**”) of nominal value of HK\$0.01 per Share.

SIGNIFICANT INVESTMENTS

As at 30 June 2023, the Group held no major investment.

MATERIAL ACQUISITIONS AND DISPOSALS

During 1H2023, the Group had no material acquisitions or disposals of subsidiaries and associated companies.

EVENTS AFTER THE REPORTING PERIOD

Following passing of the special resolution at the extraordinary general meeting of the Company held on 31 July 2023, the Certificate of Incorporation on change of company name was issued by the Registrar of the Companies in the Cayman Islands on 31 July 2023 certifying that the English name of the Company has been changed from “Channel Micron Holdings Company Limited” to “CM Hi-Tech Cleanroom Limited” and the dual foreign Chinese name of the Company has been changed from “捷心隆控股有限公司” to “捷芯隆高科潔淨系統有限公司” (the “**Change of Company Name**”).

As at the date of this announcement, the Company is undergoing necessary filing procedures with the Companies Registry in Hong Kong and Certificate of Registration of Alteration of Name of Registered Non-Hong Kong Company has yet to be issued by the Registrar of Companies in Hong Kong on confirming the registration of the new English and Chinese name of the Company in Hong Kong under Part 16 of the Companies Ordinance (Cap. 622 of the Laws of Hong Kong).

For details, please refer to announcements/circular of the Company dated 30 June 2023, 11 July 2023 and 31 July 2023.

Further announcement(s) will be made by the Company in relation to the Change of Company Name and details of the change of the English and Chinese stock short names of the Company.

CHARGES ON THE GROUP’S ASSETS

As at 30 June 2023, RMB2.2 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 30 June 2023, the Group’s bank loans of RMB43.2 million were secured by the legal charges over the Group’s freehold land and building.

Other than the above, as at 30 June 2023, 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 30 June 2023, the Group did not have any significant contingent liabilities.

OTHER INFORMATION

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 value of the shareholders of the Company (the "**Shareholders**"). The Board believes that high corporate governance standards are essential in providing a framework for the Group to safeguard the interests of the 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 applicable code provisions as set out in the CG Code during 1H2023 and up to the date of this announcement, except for the deviation as set out below.

Pursuant to code provision C.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 1H2023, 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**”) which comprises exclusively of independent non-executive Directors has free and direct access to the Company’s external auditor and independent professional advisers when it considers necessary. Therefore, the Directors consider that the deviation from code provision C.2.1 of the CG Code is appropriate in such circumstances. However, the Board will continue to review the current structure and if a candidate with suitable knowledge, skills 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 Issuers (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. Mr. Chin Sze Kee was in breach of Rule A.3 and B.8 of the Model Code in August 2023 for one transaction involving his acquisition of 100,000 Shares, representing approximately 0.007% of the total issued share capital of the Company, on the market at a consideration of HKD25,000 due to inadvertent oversight. Except for this one incident, all the Directors confirmed that they have complied with the required standard set out in the Model Code regarding their transactions during 1H2023 and up to the date of this announcement.

INTERIM DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS

The Board has resolved to declare the payment of an interim dividend of HK0.75 cents per Share for the six months ended 30 June 2023 to the Shareholders whose names appear on the register of members of the Company at the close of business on Thursday, 21 September 2023. The interim dividend will be paid on or around Friday, 6 October 2023.

The register of members of the Company will be closed from Monday, 18 September 2023 to Thursday, 21 September 2023, both days inclusive, during which period no transfer of the Shares will be registered. In order to qualify for the interim dividend as stated, all 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 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration no later than 4:30 p.m. on Friday, 15 September 2023.

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 unaudited consolidated interim results for the six months ended 30 June 2023 have been reviewed by the Audit Committee.

Grant Thornton Hong Kong Limited, the Company's auditor, has reviewed the unaudited consolidated interim results of the Group for the six months ended 30 June 2023 in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA. The auditor's independent review report will be included in the Company's interim report for the six months ended 30 June 2023 to the Shareholders.

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 during 1H2023 and up to the date of this announcement.

CHANGE IN USE OF PROCEEDS FROM INITIAL PUBLIC OFFERING

Net proceeds from the Listing, after deducting the underwriting commission and other estimated expenses in connection with the Listing, amounted to RMB47.5 million. For reasons set out in the paragraph headed "Reasons for and Benefits of the Change in Use of Proceeds" below, the Board has resolved to change the use of proceeds originally planned to for the use under the item "Expansion and renovation of production facilities in the PRC" by reallocating to item "Expansion of production facilities in Malaysia".

The following table sets forth a summary of the utilisation of the net proceeds and the revised allocation of the net proceeds:

Planned use of net proceeds as stated in the Prospectus	% to total amount		Actual use of net proceeds up to 30 June 2023	Unutilised net proceeds as at 30 June 2023	Re-allocation of the unutilised net proceeds	Expected timeline for the unutilised net proceeds
	RMB million	RMB million	RMB million	RMB million	RMB million	
Expansion and renovation of production facilities in the PRC	34.0	16.1	0.4	15.7	-	N/A
Expansion of production facilities in Malaysia	34.7	16.5	13.7	2.8	18.5	On or before December 2024 ^(Note 1)
Strengthening sales and marketing, and engineering and support functions in the PRC and Malaysia by hiring additional staff	9.0	4.3	4.3	-	-	N/A
Strengthening accounts and administration functions and upgrading information technology systems to cater for business growth	3.5	1.7	1.7	-	-	N/A
Research and development projects to enhance existing products and diversify product offering	11.9	5.6	5.6	-	-	N/A
General working capital	6.9	3.3	3.3	-	-	N/A
	<u>100.0</u>	<u>47.5</u>	<u>29.0</u>	<u>18.5</u>	<u>18.5</u>	

Note:

- (1) While verbal clearance from the Malaysian government for the construction plan was received in August 2022, the Group is still awaiting the issuance of the official approval letter at the time of this announcement. Consequently, the full operational launch of the New Production Facility has been rescheduled from the second quarter of 2024 to the third quarter of 2024.

The unutilised amount is expected to be used in accordance with the Company's business strategies as disclosed in the Prospectus and above. The aforesaid expected timeline of full utilisation of the unutilised proceeds is based on our Directors' best estimation, and is subject to change in light of the future market conditions or any unforeseen circumstances.

Reasons for and Benefits of the Change in Use of Proceeds

The Company has been actively looking for suitable premises in the PRC to open a second factory since Listing, but has not identified suitable premises yet. On the other hand, the Group had already acquired a land in Malaysia for its New Production Facility and needs fund for construction of the New Production Facility. The Board is of the view

that the use of proceeds for the PRC second factory should be reallocated to the New Production Facility in Malaysia for better treasury management and improvement of efficiency of the use of proceeds.

The Board considers that the proposed change in use of the net proceeds will not have any material adverse impact on the operations of the Group and is in the interests of the Company and the Shareholders as a whole. The Board will closely monitor the utilisation of the net proceeds. Save as disclosed above, there is no other change in the use of the net proceeds. Should there be any further change in the use of the net proceeds, further announcement(s) will be made by the Company as and when appropriate.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM 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 interim report of the Company for the six months ended 30 June 2023 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 August 2023

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