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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)

TERMINATION OF NEW FRAMEWORK SALES AGREEMENT

This announcement is made by Channel Micron Holdings Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 14A.35 of The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Reference is made to the announcement of the Company dated 21 March 2022 (the “**Announcement**”) in relation to the New Framework Sales Agreement of the Group. Unless otherwise specified in this announcement, terms used herein shall have the same meanings as those defined in the Announcement.

TERMINATION OF THE NEW FRAMEWORK SALES AGREEMENT

On 7 April 2022, the Company and the Excluded Group entered into the termination agreement (the “**Termination Agreement**”) with respect to the termination of the New Framework Sales Agreement. Pursuant to the Termination Agreement, the rights and obligations of both parties as agreed between the Company and the Excluded Group in the New Framework Sales Agreement shall cease with immediate effect.

REASONS FOR TERMINATION OF THE NEW FRAMEWORK SALES AGREEMENT

As disclosed in the Announcement, the Annual Caps pursuant to the New Framework Sales Agreement for FY2022, FY2023 and FY2024 were determined taking into account, among other things, quotation submitted by the Group to Sum Technic on the Perak Project. On 4 April 2022, Sum Technic informed the Group that Sum Technic lost the quotation for the Perak Project. Without the demand from Sum Technic in relation the Perak Project, the Group currently expects that the original annual cap for FY2022 under the 2020 Framework Sales Agreement is sufficient and thus entered into the Termination Agreement with the Excluded Group. For avoidance of doubt, the continuing connected transactions between the Group and Sum Technic and Sum System will continue to be governed by the 2020 Framework Sales Agreement which remains effective. The Group will closely monitor to ensure the transaction amount for FY2022 is within the annual cap for FY2022 of RMB15 million pursuant to the 2020 Framework Sales Agreement.

As all executive Directors (being Mr. Ng, Mr. Chin, Mr. Law, Mr. Lim and Ms. Yap) have shareholding interests in the Excluded Group, they are considered to have a material interest in the Termination Agreement. Accordingly, none of them had voted nor been counted in the quorum at the Board meeting held for the approval of the Termination Agreement.

The Board has deferred its views on the Termination Agreement to the independent board committee (the Independent Board Committee), comprising all the independent non-executive Directors. The Independent Board Committee consider that the terms of the Termination Agreement are on normal commercial terms which are fair and reasonable and in the interests of the Shareholders as a whole.

GENERAL

The Group is principally engaged in the provision of cleanroom wall and ceiling systems and cleanroom equipment in the PRC and Malaysia.

Sum System is principally engaged in the Solar Panel Business. Sum Technic is principally engaged in the Construction and Engineering Business. Micronaire is principally engaged in the Air Conditioning Business.

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

Hong Kong, 7 April 2022

As at the date of this announcement, the board of directors of the Company 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.