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CircuTech International Holdings Limited
訊智海國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8051)

QUARTERLY RESULTS ANNOUNCEMENT
FOR THE THREE MONTHS ENDED 31 MARCH 2022

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

*This announcement, for which the directors (“**Directors**” and each a “**Director**”) of CircuTech International Holdings Limited (the “**Company**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Company and its subsidiaries (collectively the “**Group**”). The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

HIGHLIGHTS

- The Group recorded a turnover of approximately HK\$179.4 million for the three months ended 31 March 2022 (three months ended 31 March 2021: approximately HK\$72.1 million), representing an increase of approximately HK\$107.3 million when compared with the same period last year.
- The gross profit margin of the Group slightly decreased to approximately 4.8% for the three months ended 31 March 2022 (three months ended 31 March 2021: approximately 6.4%).
- The Group recorded a profit attributable to the owners of the Company of approximately HK\$0.9 million for the three months ended 31 March 2022 (three months ended 31 March 2021: approximately HK\$0.02 million), representing an increase of approximately HK\$0.9 million when compared with the same period last year. The board (the “**Board**”) of Directors considers that the increase in net profit of the Group for the three months ended 31 March 2022 was mainly attributable to increase in the business volume from the distribution of third-party IT products and the profit generated from the repair center of the Group.
- The Board does not recommend the payment of an interim dividend for the three months ended 31 March 2022 (three months ended 31 March 2021: Nil).

QUARTERLY RESULTS

The Board hereby announces the unaudited condensed consolidated quarterly results of the Group for the three months ended 31 March 2022, together with the comparative unaudited figures for the corresponding period in 2021, as follows:

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	<i>Notes</i>	Three months ended	
		31 March	
		2022	2021
		HK\$'000	<i>HK\$'000</i>
		(unaudited)	(unaudited)
Revenue	3	179,427	72,071
Cost of sales		<u>(170,813)</u>	<u>(67,456)</u>
Gross profit		8,614	4,615
Other income		789	624
Selling and distribution costs		(2,150)	(1,355)
Administrative expenses		(4,507)	(3,701)
Research and development expenditure		(310)	(345)
Share of net profit of an associate accounted for using the equity method		130	201
Finance costs		<u>(14)</u>	<u>(20)</u>
Profit before income tax	5	2,552	19
Income tax expenses	6	<u>(1,638)</u>	<u>(1)</u>
Profit for the period		914	18
Other comprehensive income for the period:			
Item that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		<u>11</u>	<u>732</u>
Other comprehensive income for the period		<u>11</u>	<u>732</u>
Total comprehensive income for the period		<u>925</u>	<u>750</u>
Earnings per share attributable to owners of the Company			
<i>(HK cents per share)</i>			
– Basic and diluted	7	<u>3.90</u>	<u>0.08</u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company						
	Share capital <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Translation reserve <i>HK\$'000</i>	Special reserve <i>HK\$'000</i>	Financial asset at FVOCI <i>HK\$'000</i>	Accumulated losses <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 January 2022 (audited)	4,687	183,006	(1,447)	14,990	(11)	(55,219)	146,006
Profit for the period	-	-	-	-	-	914	914
Other comprehensive income for the period ended 31 March 2022:							
Exchange differences on translation of foreign operations	-	-	11	-	-	-	11
Total comprehensive income for the period	-	-	11	-	-	914	925
At 31 March 2022 (unaudited)	<u>4,687</u>	<u>183,006</u>	<u>(1,436)</u>	<u>14,990</u>	<u>(11)</u>	<u>(54,305)</u>	<u>146,931</u>
At 1 January 2021 (audited)	4,687	183,006	24	14,990	(5)	(57,451)	145,251
Profit for the period	-	-	-	-	-	18	18
Other comprehensive income for the period ended 31 March 2021:							
Exchange differences on translation of foreign operations	-	-	732	-	-	-	732
Total comprehensive income for the period	-	-	732	-	-	18	750
At 31 March 2021 (unaudited)	<u>4,687</u>	<u>183,006</u>	<u>756</u>	<u>14,990</u>	<u>(5)</u>	<u>(57,433)</u>	<u>146,001</u>

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1. GENERAL INFORMATION

CircuTech International Holdings Limited (the “**Company**”) and its subsidiaries (together, the “**Group**”) is principally engaged in the sales and distribution of IT products, and the provision of repairs and other service support of IT products.

The Company is a limited liability company incorporated in the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Company has its primary listing on GEM of The Stock Exchange of Hong Kong Limited.

The unaudited condensed consolidated financial information has not been audited by the Company’s auditor.

This unaudited condensed consolidated financial information is presented in Hong Kong dollars (“**HK\$**”), unless otherwise stated.

2. BASIS OF PREPARATION

This unaudited condensed consolidated financial information for the three months ended 31 March 2022 has been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRS**”) issued by the Hong Kong Institute of Certified Public Accountants and the applicable requirements of the GEM Listing Rules. This unaudited condensed consolidated financial information does not include all information and disclosures as required in the annual financial statements.

The principal accounting policies applied in the preparation of this unaudited condensed consolidated financial information are consistent with those of the financial statements for the year ended 31 December 2021, except for the adoption of new and amended standards and interpretation effective for the financial year ended 31 December 2022. The following new and amended standards and interpretation are mandatory for the first time for the financial year beginning on 1 January 2022.

Amendments to Hong Kong Accounting Standards (“**HKAS**”) 16, Proceeds before Intended Use

Amendments to HKAS 37, Onerous Contracts – Cost of Fulfilling a Contract

Amendments to HKFRS 3, Reference to the Conceptual Framework

Annual improvements to HKFRSs 2018-2020

The adoption of the above amended standards and interpretation did not have a material impact on the Group’s unaudited condensed consolidated financial information for the three months ended 31 March 2022.

3. REVENUE

An analysis of the Group's revenue from its major products and services for the periods is as follows:

	Three months ended	
	31 March	
	2022	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Sales and distribution of IT products	177,632	71,963
Repairs and service support	1,795	108
Total revenue	<u>179,427</u>	<u>72,071</u>

4. SEGMENT INFORMATION

The Group is principally engaged in the sales and distribution of IT products, and the provision of repairs and other service support of IT products.

The chief operating decision-makers have been identified as the executive directors of the Company (the “**Executive Directors**”). The Executive Directors have determined the operating segments based on the information reviewed by them that are used to make strategic decisions.

The Executive Directors examine the Group's performance from a product perspective, and have identified two reportable segments of the Group's business:

- (i) Sales and distribution of IT products: this part of business designs, manufactures and markets video surveillance systems and distributes third-party IT products; and
- (ii) Repairs and service support: repairs, maintenance and other service support for electronic products are provided under this part of business.

No operating segments have been aggregated in arriving at the reportable segments of the Group.

No sales between segments are carried out during the three months ended 31 March 2022 and 2021. The revenue from external parties is measured in the same way as in the unaudited condensed consolidated statement of comprehensive income.

Interest income from bank deposits, interest on lease liabilities and corporate expenses are not allocated to segments, as this type of activity is driven by the central treasury function, which manages the cash position of the Group.

Segment revenue and results

The segment information provided to the Executive Directors for the reportable segments for the three months ended 31 March 2022 and 2021 is as follows:

Three months ended 31 March 2022

	Sales and distribution of IT products <i>HK\$'000</i> (unaudited)	Repairs and service support <i>HK\$'000</i> (unaudited)	Total <i>HK\$'000</i> (unaudited)
Revenue from external customers	<u>177,632</u>	<u>1,795</u>	<u>179,427</u>
Time of revenue recognition			
– At a point in time	177,632	1,734	179,366
– Over time	<u>–</u>	<u>61</u>	<u>61</u>
Segment profit	<u>3,465</u>	<u>439</u>	3,904
Interest income from bank deposits			21
Other income			768
Interest expenses			(14)
Salaries, wages and other benefits			(789)
Unallocated corporate expenses (<i>Note</i>)			<u>(1,468)</u>
Operating profit			2,422
Share of net profit of an associate accounted for using the equity method			<u>130</u>
Profit before income tax			2,552
Income tax expenses			<u>(1,638)</u>
Profit for the period			<u>914</u>

Three months ended 31 March 2021

	Sales and distribution of IT products <i>HK\$'000</i> (unaudited)	Repairs and service support <i>HK\$'000</i> (unaudited)	Total <i>HK\$'000</i> (unaudited)
Revenue from external customers	<u>71,963</u>	<u>108</u>	<u>72,071</u>
Time of revenue recognition			
– At a point in time	71,963	43	72,006
– Over time	<u>–</u>	<u>65</u>	<u>65</u>
Segment profit	<u>727</u>	<u>30</u>	757
Interest income from bank deposits			14
Other income			610
Interest expenses			(20)
Salaries, wages and other benefits			(393)
Unallocated corporate expenses (<i>Note</i>)			<u>(1,150)</u>
Operating loss			(182)
Share of net profit of an associate accounted for using the equity method			<u>201</u>
Profit before income tax			19
Income tax expenses			<u>(1)</u>
Profit for the period			<u>18</u>

Note:

Unallocated corporate expenses represent general corporate expenses such as executive salaries and other unallocated general and administrative expenses.

5. PROFIT BEFORE INCOME TAX

Profit before income tax is stated after charging and crediting the following:

	Three months ended	
	31 March	
	2022	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Depreciation of property, plant and equipment	587	602
Depreciation of right-of-use assets	293	228
Interest on lease liabilities	14	20
Short term lease expenses	118	107
Interest income	(21)	(13)
Net foreign exchange losses	100	280
Net provision/(net reversal of provision) for inventories (included in cost of sales)	802	(168)
Rental income	(600)	(600)
	<u>587</u>	<u>602</u>

6. INCOME TAX EXPENSES

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits for the year ending 31 December 2022 (2021: 16.5%), except for one subsidiary of the Group which is a qualifying entity under the two-tier profits tax rates regime. The first HK\$2,000,000 (2021: HK\$2,000,000) of assessable profits of this subsidiary are taxed at 8.25% (2021: 8.25%) and the remaining assessable profits are taxed at 16.5% (2021: 16.5%).

Taxation on overseas profit has been calculated on the estimated assessable profit for the period at the rates of taxation prevailing in the countries/places in which the Group operates.

	Three months ended	
	31 March	
	2022	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Current income tax:		
– Hong Kong taxation	–	124
– Overseas taxation	1,638	(123)
	<u>1,638</u>	<u>(123)</u>
Income tax expenses	<u>1,638</u>	<u>1</u>

7. EARNINGS PER SHARE

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the period:

	Three months ended	
	31 March	
	2022	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Profit attributable to the ordinary equity holders of the Company used in calculating basic earnings per share	914	18
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share ('000)	23,434	23,434
Basic earnings per share attributable to the ordinary equity holders of the Company (<i>HK cents per share</i>)	<u>3.90</u>	<u>0.08</u>

Diluted earnings per share

Diluted earnings per share is equal to basic earnings per share as there was no dilutive potential share outstanding during the period (three months ended 31 March 2021: same).

MANAGEMENT DISCUSSION AND ANALYSIS

INTERIM DIVIDEND

The Board does not recommend the payment of a dividend for the three months ended 31 March 2022 (three months ended 31 March 2021: Nil).

BUSINESS REVIEW

The Group operates in two business segments, namely, the sales and distribution of IT products and the provision of repairs and other service support of IT products.

Sales and distribution of IT products

The core business segment of the Group is sales and distribution of IT products. It includes distribution of renowned third-party IT products and video surveillance systems carrying our own brand name. The third-party IT products are mainly refurbished and end-of-life units that are distributed through our well-established wholesale network covering the North America, Asia and Europe.

The Group also developed an online trade-in platform and cooperated with international brands as their trade-in partners for certain IT products. Due to the launch of new models of smart devices in the second half of 2021, the trade-in volume for the three months ended 31 March 2022 has grown substantially when compared to the same period in 2021.

The sales and distribution of video surveillance systems are highly competitive, in particular, the Group directly and indirectly competes with large global vendors in form of pricing, range of services provided and information technology.

The Group's advantages to compete against other global distributors are management's expertise and proven track record, together with being a member of the Foxconn Technology Group that is worldwide well-known and has strong business bond with numbers of international brands. The Group will continue to manage its tied up working capital by improving the inventory turnover days and mitigating the inventory risk, with an aim to shorten the cash conversion cycle.

During the period, the Group continued to review and re-evaluate its business model, with an aim to improve efficiency, and achieve a higher profit margin in the long run. The Group will continue to closely monitor the market situations and make necessary adjustments to its strategies and operations. In light of lessons learnt from COVID-19 led supply constraints, the Group will evaluate its operation and explore the opportunity for other sustainable and stable lines of business.

Provision of repairs and other service support of IT products

The Group provides full range of after-sales maintenance for video surveillance products carrying our own brand name. Smart device applications were also developed by the Group to provide remote control and monitoring of the video surveillance products. A repair center of the Group commenced operation and started to provide end-to-end repair services, from reverse logistics, bench repair services and spare parts storage and distribution, to customer delivery. The Group aims to provide best-in-class repair and rework services to ensure that our customers' issues are resolved quickly and with minimum impact to their business.

FINANCIAL REVIEW

Revenue

The Group's total revenue was approximately HK\$179.4 million for the three months ended 31 March 2022, representing an increase of approximately 148.8% as compared to a turnover of approximately HK\$72.1 million for the three months ended 31 March 2021.

	Three months ended	
	31 March	
	2022	2021
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Sales and distribution of IT products	177,632	71,963
Repairs and service support	1,795	108
Total revenue	<u>179,427</u>	<u>72,071</u>

Sales and distribution of IT products

For the three months ended 31 March 2022, the revenue from sales and distribution of IT products continued to be the largest source of income of the Group which accounted for approximately 99.0% of the revenue of the Group. Revenue from sales and distribution of IT products is generated from sales and distribution of third-party IT products and video surveillance products carrying our own brand name. The increase in the revenue from this segment was mainly due to increase in the supply in the North America market following the launch of new models of smart devices in the second half of 2021.

Provision of repairs and other service support of IT products

For the three months ended 31 March 2022, the revenue generated from repair and service support increased from approximately HK\$0.1 million to approximately HK\$1.8 million. The increase in revenue from this segment was mainly due to the expanded service support of electronic products in addition to video surveillance products carrying our own brand name.

Revenue by geographical location

	Three months ended	
	31 March	
	2022	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)
United States	104,333	10,246
Taiwan	45,469	15,785
Netherlands	15,804	5,624
Hong Kong	10,729	39,782
Others	3,092	634
	<hr/>	<hr/>
Total revenue	<u>179,427</u>	<u>72,071</u>

For the three months ended 31 March 2022, the United States market overtook the Hong Kong market and contributed approximately 58.1% (three months ended 31 March 2021: 14.2%) of the Group's revenue. The Taiwan market contributed approximately 25.3% (three months ended 31 March 2021: 21.9%) and the Netherlands market contributed approximately 8.8% (three months ended 31 March 2021: 7.8%) of the Group's revenue for the three months ended 31 March 2022. The change in the composition of the revenue was due to the change of product mix driven by the demand and supply of the IT products in each of the geographical location.

Cost of sales

A major component of the cost of sales was the cost of inventories. In line with the increase in business volume, the cost of sales for the three months ended 31 March 2022 increased to approximately HK\$170.8 million, as compared to that of approximately HK\$67.5 million for the same period in 2021. There was a net provision of inventories (included in the cost of sales) amounted to approximately HK\$0.8 million as compared to a net reversal of provision of approximately HK\$0.2 million for the period ended 31 March 2021 to account for the increase in slow-moving inventories.

Gross profit and gross profit margin

Gross profit increased by approximately HK\$4.0 million for the three months ended 31 March 2022, which was attributable to the increase in business volume. Despite the above, the overall gross profit margin decreased from approximately 6.4% for the period ended 31 March 2021 to approximately 4.8% for the period ended 31 March 2022 due to the low gross profit margin from the segment of sales and distribution of IT products. It was caused by the Group's effort in broadening its customer base and improving its inventory turnover rate to respond to the occasional increase in supply in the United States and Taiwan markets.

Administrative expenses

Administrative expenses increased by approximately 21.8% to approximately HK\$4.5 million during the three months ended 31 March 2022. It was mainly due to the expansion of the repair and service support business, especially the commencement of operation of a repair center in Australia.

Net profit for the period

The Group recorded a net profit of approximately HK\$0.9 million and HK\$0.02 million for the three months ended 31 March 2022 and 2021, respectively. The improved result was mainly contributed by the occasional increase in business volume of the sales and distribution of IT products segment in the period following the launch of new models of smart devices in the second half of 2021. The Board considers that the increase in profitability in the first quarter is generally in line with and comparable with the financial figures of the Group for the year ended 31 December 2021. The Group recorded a net profit of approximately HK\$2.2 million for the year ended 31 December 2021.

BUSINESS OUTLOOK

Building upon the foundation and experience gained in 2021, the Group expects to face keen competition in the IT product distribution business and the management will closely monitor the IT product distribution business and may adjust the Group's business portfolio in a bid to increase customer base and generate better and more stable returns to the shareholders.

In order to diversify the business portfolio of the Group to avoid overconcentration on a single business segment and to generate more stable returns to shareholders, given the current contribution of the repairs and service support segment to the overall revenue of the Group and the relatively high profit margin of this segment, the Group believes that there is plenty of room for growth of the repairs and service support segment. The Group will focus its resources on the development of the repairs and service support segment, in particular setting up repair centers to provide repair services of electronic products for renowned IT brands and their service centers. The management will closely monitor the development of COVID-19, assess and react actively to its impacts on the financial position and operating results of the Group.

The Group is also exploring suitable opportunities to invest in the "Circular Economy" business segment, from providing after-sales services of 3C products to recycling of 3C products to reproduce raw materials. The management believes that making the relevant strategic investment will enable the Group to strengthen its development foundation in "Green Technology" and enhance the Group's business image.

The Group will continuously strengthen the management team, expand the international footprint and broaden its customer base. The management anticipates additional fundraising may from time to time be required to support the working capital expenditure for such business growth. This entails investment in expanding and revamping overseas organisation structure, and potential capital expenditures if it is deemed to strategically enhance our capabilities.

LIQUIDITY, FINANCIAL RESOURCES AND GEARING RATIO

The Group had net current assets of approximately HK\$126.4 million (31 March 2021: HK\$122.7 million) and cash and cash equivalents amounted to approximately HK\$86.1 million as at 31 March 2022 (31 March 2021: HK\$110.9 million). The Group had no borrowings outstanding as at 31 March 2022.

As at 31 March 2022, the gearing ratio, which is calculating on the basis of total debts over total equity of the Group, was approximately 51.5% (31 March 2021: 40.1%).

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARES

As of 31 March 2022, none of the Directors and chief executives of the Company is interested in, or has short positions in, any shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (“SFO”)) which were required under Divisions 7 and 8 of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) to be notified to the Company and the Stock Exchange, or which were recorded in the register required to be kept by the Company under section 352 of the SFO, or which were required under Rule 5.46 of the GEM Listing Rules to be notified to the Company and the Stock Exchange.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

At no time during the three months ended 31 March 2022 was the Company, its holding company or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate and none of the Directors, their spouses or children under the age of eighteen, had any rights to subscribe for securities of the Company, or had exercised any such right during the three months ended 31 March 2022.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES

As of 31 March 2022, so far as is known to the Directors, the interests and short positions of the persons or corporations (other than a Director or chief executive of the Company) in the shares and underlying shares of the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept under section 336 of the SFO, were as follows:

Long position in shares of the Company as at 31 March 2022

Name of shareholders	Capacity	Number of shares held/ interested	Percentage of the issued share capital of the Company (approximate)
Foxconn (Far East) Limited	Beneficial owner	11,853,524	50.58%
Hon Hai Precision Industry Co., Ltd.	Interest in a controlled corporation	11,853,524	50.58%

Note:

Foxconn (Far East) Limited is a wholly-owned subsidiary of Hon Hai Precision Industry Co., Ltd., a company incorporated in Taiwan and listed on the Taiwan Stock Exchange (stock code: 2317.TW). Hon Hai Precision Industry Co., Ltd. is deemed to be interested in the shares of the Company held by Foxconn (Far East) Limited under the SFO.

Save as disclosed above, as at 31 March 2022, the Company had not been notified by any other persons (other than a Director or chief executive of the Company) who had interests or short positions in the shares and the underlying shares of the Company, which were required to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept under section 336 of the SFO.

COMPETITION AND CONFLICT OF INTERESTS

During the three months ended 31 March 2022, none of the Directors, controlling shareholders or their respective close associates (as defined in the GEM Listing Rules) has any interests in a business that competes or may compete either directly or indirectly with the business of the Group.

PURCHASES, SALE OR REDEMPTION OF SECURITIES

The Company has not redeemed any of its listed securities during the three months ended 31 March 2022. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's listed securities during the three months ended 31 March 2022.

AUDIT COMMITTEE

The Audit Committee of the Company consists of three members, being the three independent non-executive Directors, namely Mr. Li Robin Kit Ling (chairman), Mr. Yeung Wai Hung Peter and Mr. Miao Benny Hua-ben.

The primary duties of the Audit Committee are to review and oversee the financial reporting system, risk management and internal control systems of the Group. The Audit Committee is also responsible for, among other things, reviewing the Company's annual report and financial statements, quarterly reports and half-yearly report, reviewing significant financial reporting judgments contained therein and providing advice and comments thereon to the Board.

The Audit Committee has reviewed the unaudited condensed consolidated financial information of the Group for the three months ended 31 March 2022, this announcement and the quarterly results announcement, and has provided advice and comments thereon.

By order of the Board

CircuTech International Holdings Limited

Mr. Hong Sung-Tai

Chairman

Hong Kong, 10 May 2022

As at the date of this announcement, the executive Directors are Mr. Hong Sung-Tai, Ms. Chen Ching-Hsuan, Mr. Han Chun-Wei and Mr. Tsai Biing-Hann; the non-executive Director is Mr. Kao Chao Yang; and the independent non-executive Directors are Mr. Yeung Wai Hung Peter, Mr. Li Robin Kit Ling and Mr. Miao Benny Hua-ben.

This announcement will remain at the "Latest Company Announcements" page of the GEM website at www.hkgem.com for at least seven days from the date of its posting and on the website of the Company at www.circutech.com.

In the event of any discrepancies between the English version and the Chinese version, the English version shall prevail.

Certain amounts and percentage figures included in this announcement have been subject to rounding adjustments.