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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)**

**INTERIM RESULTS ANNOUNCEMENT**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2024**

**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 (the “**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.*

## RESULTS

The board of Directors (the “**Board**”) hereby announces the unaudited condensed consolidated interim results of the Group for the six months ended 30 June 2024, together with the comparative unaudited figures for the corresponding periods in 2023, as follows:

### INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	<i>Notes</i>	<b>Six months ended 30 June</b>	
		<b>2024</b>	<b>2023</b>
		<b><i>HK\$’000</i></b>	<b><i>HK\$’000</i></b>
		<b>(unaudited)</b>	<b>(unaudited)</b>
Revenue	4	<b>148,891</b>	28,502
Cost of sales		<b>(140,743)</b>	(21,743)
Gross profit		<b>8,148</b>	6,759
Other income		<b>1,964</b>	2,824
Selling and distribution costs		<b>(752)</b>	(805)
Administrative expenses		<b>(6,359)</b>	(6,768)
Research expenditures		<b>(406)</b>	(433)
Fair value gain on derivative financial instrument		<b>326</b>	1,987
Share of net profit of an associate accounted for using the equity method		<b>610</b>	597
Finance costs		<b>(15)</b>	(73)
Profit before income tax	6	<b>3,516</b>	4,088
Income tax expenses	7	<b>(894)</b>	(352)
<b>Profit for the period</b>		<b><u>2,622</u></b>	<b><u>3,736</u></b>

	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
<i>Note</i>	<b><i>HK\$'000</i></b>	<b><i>HK\$'000</i></b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
Other comprehensive income for the period:		
<i>Item that may be reclassified subsequently to profit or loss</i>		
Exchange differences arising on translation of foreign operations	<u>(691)</u>	<u>1,037</u>
Other comprehensive income for the period	<u>(691)</u>	<u>1,037</u>
Total comprehensive income for the period	<u><b>1,931</b></u>	<u><b>4,773</b></u>
Profit for the period attributable to:		
– Owners of the Company	<b>2,231</b>	3,139
– Non-controlling interests	<u><b>391</b></u>	<u>597</u>
	<u><b>2,622</b></u>	<u><b>3,736</b></u>
Total comprehensive income attributable to:		
– Owners of the Company	<b>1,537</b>	4,176
– Non-controlling interests	<u><b>394</b></u>	<u>597</u>
	<u><b>1,931</b></u>	<u><b>4,773</b></u>
Earnings per share attributable to owners of the Company		
<i>(HK cents per share)</i>		
– Basic and diluted	<i>9</i> <u><b>9.52</b></u>	<u><b>13.40</b></u>

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at <b>30 June</b> <b>2024</b> <i>HK\$'000</i> <b>(unaudited)</b>	As at 31 December 2023 <i>HK\$'000</i> <b>(audited)</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment		14	41
Right-of-use assets		246	786
Interest in an associate		10,132	9,670
Derivative financial instruments		9,314	9,128
Financial asset at fair value through other comprehensive income		<u>3,097</u>	<u>1,597</u>
		<b><u>22,803</u></b>	<b><u>21,222</u></b>
<b>Current assets</b>			
Inventories		21	562
Trade and other receivables	10	83,288	36,941
Cash and cash equivalents		61,638	104,485
Current tax assets		<u>193</u>	<u>164</u>
		<b><u>145,140</u></b>	<b><u>142,152</u></b>
<b>Total assets</b>		<b><u>167,943</u></b>	<b><u>163,374</u></b>

		As at <b>30 June</b> <b>2024</b> <i>HK\$'000</i> (unaudited)	As at 31 December 2023 <i>HK\$'000</i> (audited)
<b>Equity</b>			
Share capital	12	4,687	4,687
Other reserves		194,533	195,227
Accumulated losses		<u>(42,065)</u>	<u>(44,296)</u>
Capital and reserves attributable to owners of the Company		157,155	155,618
Non-controlling interests		<u>1,496</u>	<u>1,102</u>
<b>Total equity</b>		<b><u>158,651</u></b>	<b><u>156,720</u></b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	11	5,255	4,367
Lease liabilities		269	733
Contract liabilities		2,252	242
Current tax liabilities		<u>1,321</u>	<u>750</u>
		<u>9,097</u>	<u>6,092</u>
Total assets less current liabilities		<u>158,846</u>	<u>157,282</u>
<b>Non-current liabilities</b>			
Lease liabilities		–	100
Long service payment liabilities		<u>195</u>	<u>462</u>
		<u>195</u>	<u>562</u>
<b>Total liabilities</b>		<b><u>9,292</u></b>	<b><u>6,654</u></b>
<b>Total equity and liabilities</b>		<b><u>167,943</u></b>	<b><u>163,374</u></b>

# NOTES TO THE INTERIM 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.

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

## 2. BASIS OF PREPARATION

The interim condensed consolidated financial statements for the six months ended 30 June 2024 have been prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and the applicable disclosure requirements of the GEM Listing Rules.

The interim condensed consolidated financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2023, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRS**”).

These interim condensed consolidated financial statements are unaudited but have been reviewed by BDO Limited 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.

### 3. MATERIAL ACCOUNTING POLICIES

The material accounting policies applied in the preparation of the interim condensed consolidated financial information are consistent with those of the annual financial statements for the year ended 31 December 2023, as described in those annual financial statements, except for the adoption of amendments to standards, interpretation and new standards effective for the financial year ending 31 December 2024. The following new and amendments to standards and interpretation are mandatory for the first time for the financial year beginning on 1 January 2024.

Amendments to HKAS 1, Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants

Amendments to HKAS 7 and HKFRS 7, Supplier Finance Arrangements

Amendments to HKFRS 16, Lease Liabilities in a Sale and Leaseback

Hong Kong Interpretation 5 (Revised), Presentation of Financial Statements - Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

The adoption of the above amendments to standards and interpretation did not have a material impact on the Group's unaudited interim condensed consolidated financial information for the six months ended 30 June 2024.

### 4. REVENUE

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

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Sales and distribution of IT products	134,741	20,530
Repairs and service support	14,150	7,972
Revenue from contracts with customers	<u>148,891</u>	<u>28,502</u>

Disaggregation of revenue from contracts with customers by the timing of revenue recognition is disclosed in Note 5.

## 5. 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.

Management considers the business from a product perspective whereby management assesses the performance of sales and distribution of IT products and repairs and service support.

During the six months ended 30 June 2024 and 2023, the Group’s operating and reporting segments are as follows:

- |                                       |  |
|---------------------------------------|--|
| Sales and distribution of IT products | – Designs, manufactures and markets video surveillance systems and distributes third-party IT products |
| Repairs and service support           | – Provision of repairs, maintenance and other service support for electronic products                  |



## Segment revenue and results

The segment information provided to the Executive Directors for the reportable segments for the six months ended 30 June 2024 and 2023 is as follows:

### Six months ended 30 June 2024 (unaudited)

	Sales and distribution of IT products <i>HK\$'000</i>	Repairs and service support <i>HK\$'000</i>	Total <i>HK\$'000</i>
Revenue from external customers	<u>134,741</u>	<u>14,150</u>	<u>148,891</u>
<b>Time of revenue recognition</b>			
– At a point in time	<u>134,741</u>	<u>14,150</u>	<u>148,891</u>
Segment profit	<u>2,677</u>	<u>2,935</u>	5,612
Interest income from bank deposits			1,087
Other income			609
Salaries, wages and other benefits			(2,033)
Depreciation charges			(435)
Fair value gain on derivative financial instrument			326
Finance costs			(15)
Unallocated corporate expenses ( <i>Note</i> )			<u>(2,245)</u>
Operating profit			2,906
Share of net profit of an associate accounted for using the equity method			<u>610</u>
Profit before income tax			3,516
Income tax expenses			<u>(894)</u>
Profit for the period			<u>2,622</u>

Six months ended 30 June 2023

	Sales and distribution of IT products <i>HK\$'000</i>	Repairs and service support <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>Revenue from external customers</b>	<u>20,530</u>	<u>7,972</u>	<u>28,502</u>
<b>Time of revenue recognition</b>			
– At a point in time	<u>20,530</u>	<u>7,972</u>	<u>28,502</u>
Segment profit	<u>1,071</u>	<u>2,400</u>	3,471
Interest income from bank deposits			1,190
Other income			1,634
Salaries, wages and other benefits			(1,804)
Depreciation charges			(977)
Fair value gain on derivative financial instrument			1,987
Finance costs			(73)
Unallocated corporate expenses ( <i>Note</i> )			<u>(1,937)</u>
Operating profit			3,491
Share of net profit of an associate accounted for using the equity method			<u>597</u>
Profit before income tax			4,088
Income tax expenses			<u>(352)</u>
Profit for the period			<u>3,736</u>

*Note:*

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

## Geographical information

The Group's business activities are conducted predominantly with customers in North America, Australia and Asia during the period. Revenue is allocated based on the location where the Group's customers are located. The amount of its revenue from external customers by location is shown in the table below.

	<b>Six months ended 30 June</b>	
	<b>2024</b>	2023
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
	<b>(unaudited)</b>	(unaudited)
Hong Kong	<b>130,919</b>	6,660
Japan	<b>11,513</b>	15,033
Australia	<b>3,748</b>	2,818
United States	<b>2,134</b>	2,651
Others	<b>577</b>	1,340
	<b><u>148,891</u></b>	<u>28,502</u>

## 6. PROFIT BEFORE INCOME TAX

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

	<b>Six months ended 30 June</b>	
	<b>2024</b>	2023
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
	<b>(unaudited)</b>	(unaudited)
Depreciation of property, plant and equipment	<b>12</b>	30
Depreciation of right-of-use assets	<b>429</b>	965
Interest expenses on lease liabilities	<b>15</b>	73
Short-term lease expenses	<b>191</b>	222
Interest income	<b>(1,087)</b>	(1,190)
Net foreign exchange loss	<b>438</b>	113
Fair value gain on derivative financial instruments	<b>(326)</b>	(1,987)
Gain on lease modification	<b>(5)</b>	(4)
Net reversal of inventories write-down (included in cost of sales)	<b>(247)</b>	(89)
Rental income	<b>(600)</b>	(1,200)
Loss on disposal of property, plant and equipment	<b>15</b>	-
	<b><u>15</u></b>	<u>-</u>

## 7. 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 2024 (2023: 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 (2023: HK\$2,000,000) of assessable profits of this subsidiary are taxed at 8.25% (2023: 8.25%) and the remaining assessable profits are taxed at 16.5% (2023: 16.5%).

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

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Current tax		
– Hong Kong profits tax	578	8
– Overseas taxation	316	344
	<u>          </u>	<u>          </u>
Income tax expenses	<u>          894</u>	<u>          352</u>

## 8. DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2024 (six months ended 30 June 2023: Nil).

## 9. EARNINGS PER SHARE

### (a) Basic

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

	Six months ended 30 June	
	2024 <i>HK\$'000</i> (unaudited)	2023 <i>HK\$'000</i> (unaudited)
Profit for the period attributable to the ordinary equity shareholders of the Company in calculating basic earnings per share	2,231	3,139
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 shareholders of the Company (HK cents per share)	<u>9.52</u>	<u>13.40</u>

### (b) Diluted

Diluted earnings per share is equal to basic earnings per share as there was no dilutive potential ordinary share outstanding in both periods presented.

## 10. TRADE AND OTHER RECEIVABLES

	As at 30 June 2024 <i>HK\$'000</i> (unaudited)	As at 31 December 2023 <i>HK\$'000</i> (audited)
	Trade receivables	65,080
Deposit and other receivables	<u>17,617</u>	<u>9,153</u>
Financial assets at amortised cost	82,697	35,942
Prepayments	<u>591</u>	<u>999</u>
Total trade and other receivables	<u>83,288</u>	<u>36,941</u>

The majority of the Group's sales are with credit terms generally ranging from 15 to 90 days. As at 30 June 2024 and 31 December 2023, the ageing analysis of the trade receivables based on invoice date were as follows:

	As at <b>30 June</b> <b>2024</b> <i>HK\$'000</i> (unaudited)	As at 31 December 2023 <i>HK\$'000</i> (audited)
Within 1 month	32,519	26,750
1 to 2 months	32,556	–
2 to 3 months	5	39
	<u>65,080</u>	<u>26,789</u>

#### 11. TRADE AND OTHER PAYABLES

	As at <b>30 June</b> <b>2024</b> <i>HK\$'000</i> (unaudited)	As at 31 December 2023 <i>HK\$'000</i> (audited)
Trade payables	2,962	1,332
Deposits received	110	710
Other tax payables	12	199
Accruals and other payables	2,171	2,126
	<u>5,255</u>	<u>4,367</u>

As at 30 June 2024 and 31 December 2023, the ageing analysis of the trade payables based on invoice date were as follows:

	<b>As at 30 June 2024 HK\$'000 (unaudited)</b>	<b>As at 31 December 2023 HK\$'000 (audited)</b>
Within 1 month	1,252	1,285
1 to 2 months	1,561	–
2 to 3 months	18	47
Over 3 months	131	–
	<u>2,962</u>	<u>1,332</u>

## 12. SHARE CAPITAL

	<b>Number of shares</b>		<b>Share capital</b>	
	<b>30 June 2024 '000 (unaudited)</b>	<b>31 December 2023 '000 (audited)</b>	<b>30 June 2024 HK\$'000 (unaudited)</b>	<b>31 December 2023 HK\$'000 (audited)</b>
Ordinary shares				
Issued and fully paid	<u>23,434</u>	<u>23,434</u>	<u>4,687</u>	<u>4,687</u>

# MANAGEMENT DISCUSSION AND ANALYSIS

## 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.

The Company executed a deliberate and organized strategy to enhance its repairs and service support segment, aiming to boost profitability and return on capital substantially. Additionally, the Company refined its sales and distribution model to elevate the trading volume of IT products. Management is proactively reallocating resources to enhance the Company's operating profit.

### **Sales and distribution of IT products**

The primary operational focus of the Group pertains to the sales and distribution of IT products, encompassing renowned third-party IT goods and internally branded video surveillance systems. Our distribution network covers North America, Asia, and Europe, catering mainly to used and refurbished third-party IT products through an established wholesale channel.

To optimise the return on employed working capital, management has recalibrated the gross margin for sales transactions. This adjustment has notably increased the segment revenue as compared to the corresponding period in 2023, in which increased from HK\$1,071,000 for the six months ended 30 June 2023 to HK\$2,677,000 for the six months ended 30 June 2024.

The Group's advantages to compete against other global distributors are management's expertise and its proven track record, together with being a member of the world-renowned enterprise Foxconn Technology Group, which has strong business bonds with a number 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. The Group will continue to closely monitor the market situations and make essential refinements to strategies and operations as required.



## Provision of repairs and other service support of IT products

During the period, the Group has made strategic plans to diversify our business segments and focus on developing the repairs and service support segment. The Group provides a full range of after-sales maintenance services for third-party IT products as well as video surveillance products carrying our own brand name.

On 28 April 2023, the Group entered into a service framework agreement (which constitutes a continuing connected transaction) with the Company's controlling shareholder for outsourcing its repair business workflow, including but not limited to maintenance and value-added services (including checking, maintenance, assembly, testing, packaging, warehousing, logistic, related custom declaration services and sourcing of required material) for electronic products (including but not limited to mobile phone, mobile phone display, and Bluetooth earpieces). This arrangement can broaden the range of the Group's repair services business and increase its revenue sources.

## FINANCIAL REVIEW

### Revenue

The Group's total revenue amounted to approximately HK\$148.9 million for the six months ended 30 June 2024, representing an increase of approximately HK\$120.4 million as compared to that of approximately HK\$28.5 million for the six months ended 30 June 2023. The increase in revenue was mainly due to the increase in segment revenue of the sales and distribution segment following the adjusted business model as explained in the paragraph headed "Business Review" above.

	Six months ended 30 June	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)
Sales and distribution of IT products	134,741	20,530
Repairs and service support	<u>14,150</u>	<u>7,972</u>
Revenue from contracts with customers	<u><b>148,891</b></u>	<u><b>28,502</b></u>

### Sales and distribution of IT products

For the six months ended 30 June 2024, the revenue from sales and distribution of IT products continued to be the largest source of income of the Group which accounted for approximately 90.5% of the revenue of the Group. Revenue from sales and distribution of IT products consists of third-party IT products and video surveillance products carrying our own brand name. The increase in segment revenue of the sales and distribution segment was mainly due to the adjusted business model as explained in the paragraph headed "Business Review" above.

## Provision of repairs and other service support of IT products

The revenue from repairs and service support increased from approximately HK\$8.0 million for the six months ended 30 June 2023 to approximately HK\$14.2 million for the six months ended 30 June 2024. The increase in segment revenue was mainly due to the expanded service support of IT products in addition to video surveillance products carrying our own brand name.

## Segment information by geographical location

	Six months ended 30 June	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)
Hong Kong	130,919	6,660
Japan	11,513	15,033
Australia	3,748	2,818
United States	2,134	2,651
Others	577	1,340
	<hr/>	<hr/>
Total revenue	<b>148,891</b>	<b>28,502</b>

For the six months ended 30 June 2024, Hong Kong market contributed approximately 87.9% (six months ended 30 June 2023: approximately 23.4%) of the Group's revenue. Japan market contributed approximately 7.7% (six months ended 30 June 2023: approximately 52.7%) and Australia market contributed approximately 2.5% (six months ended 30 June 2023: approximately 9.9%) of the Group's revenue for the six months ended 30 June 2024, respectively. The change in contribution of revenue by geographical locations was due to the adjustment in the Group's business model to develop its repairs and service support segment and the change of product mix driven by the demand and supply of the IT products of the sales and distribution segment 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 six months ended 30 June 2024 increased to approximately HK\$140.7 million as compared to that of approximately HK\$21.7 million for the corresponding period in 2023. There was a net reversal of provision of inventories (included in the cost of sales) amounting to approximately HK\$247,000 as compared to a net reversal of provision of inventories of approximately HK\$89,000 for the six months ended 30 June 2023 to account for the decrease in slow-moving inventories.

## **Gross profit and gross profit margin**

Gross profit increased by approximately HK\$1.4 million for the six months ended 30 June 2024, which was caused by the increase in business volume. The overall gross margin decreased from approximately 23.7% for the six months ended 30 June 2023 to approximately 5.5% for the six months ended 30 June 2024. The decrease in overall gross margin was mainly due to the growth in the sales and distribution segment, which generates a lower gross profit margin than the repairs and service support segment.

## **Selling and distribution expenses**

The Group managed to cut its selling and distribution expenses by approximately 6.6% for the six months ended 30 June 2024. During the period, the Group has adjusted its business model for the sales and distribution business to improve efficiency and to save staff costs.

## **Administrative expenses**

Administrative expenses decreased by approximately 6.0% to approximately HK\$6.4 million during the six months ended 30 June 2024. With improvements in operating efficiencies and rigorous financial discipline, the Group has been able to keep its administrative expenses reasonably low.

## **Net profit for the period**

The Group recorded a net profit of approximately HK\$2.6 million for the six months ended 30 June 2024, representing a decrease of approximately 29.8% when compared to approximately HK\$3.7 million during the six months ended 30 June 2023 as a result of the decrease in fair value gain on derivative financial instruments and decrease in operating expenses.

Basic earnings per share decreased to approximately HK\$9.52 cents for the six months ended 30 June 2024 when compared with approximately HK\$13.4 cents for the same period last year.

## **Inventories and trade receivables**

As at 30 June 2024, the inventory level decreased to approximately HK\$0.02 million (31 December 2023: approximately HK\$0.6 million). The Group continued to monitor the inventory level and reduce the inventory risk, with an aim to shorten the cash conversion cycle.

Trade receivables increased to approximately HK\$65.1 million (31 December 2023: approximately HK\$26.8 million). The Group maintains strict control over credit lines granted to customers. During the period, customers of the Group maintain good credit history, and therefore no material impairment of trade receivables is recognised.

### **Key financial performance**

The above financial data were chosen to be presented in this interim report as they represent a material financial impact on the consolidated financial statements of the Group for the current financial period and/or the previous financial year/period, and a change of which could affect the revenue and profit conspicuously. It is believed that the Group can effectively explain the financial performance of the Group for the period by presenting the changes of these financial data.

## **BUSINESS OUTLOOK**

The Group will continue with its transformation process to expand its businesses by focusing on the post-sales arena of 3C products and to increase its market share in the “Circular Economy”. As a member of Foxconn Technology Group, an international environmentally friendly manufacturer, the Group aims to lengthen the life of 3C products by establishing sales and distribution channels for quality refurbished or end-of-life units and provides best-in-class repair and refurbishment services.

The Group expects to face intense competition in the used and second-hand IT product distribution business and will modify its operations in response to technological advances, increased competition, and stakeholder expectations. The Group is undertaking a planned and structured process to develop and strengthen its repairs and service support segment to improve its profitability and efficiency.

In order to diversify the business portfolio of the Group and to generate more stable returns for the shareholders of the Company, 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 on and allocate its resources to the development of the repairs and service support segment, in particular setting up repair centres to provide repair services of electronic products for renowned IT brands and service centres for its own products. The management will closely monitor the market situation, assess and react actively to its impacts on the financial position and operating results of the Group.

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.

## **EMPLOYEE INFORMATION**

As at 30 June 2024, the Group employed 10 (30 June 2023: 21) full time employees in Hong Kong and 12 (30 June 2023: 26) full time employees in the People's Republic of China and overseas offices, respectively. The Group's staff costs, including Directors' emoluments, employees' salaries and retirement benefits schemes contributions amounted to approximately HK\$5,053,000 (30 June 2023: approximately HK\$5,154,000).

Employees are remunerated in accordance with individual's responsibilities and performance, which remain competitive with the prevailing market rates. Other fringe benefits such as medical insurance, retirement benefits schemes and discretionary bonus are offered to all employees by the Group. Share options may be granted at the Directors' discretion and under the terms and conditions of the share option scheme.

## **LIQUIDITY, FINANCIAL RESOURCES AND GEARING RATIO**

The Group had net current assets of approximately HK\$136.0 million (31 December 2023: approximately HK\$136.1 million) and cash and cash equivalents amounted to approximately HK\$61.6 million as at 30 June 2024 (31 December 2023: approximately HK\$104.5 million). The Group had no borrowings outstanding as at 30 June 2024.

As at 30 June 2024, the gearing ratio, which is calculating on the basis of total debts over total equity of the Group, was approximately 5.8% (31 December 2023: approximately 4.2%).

## **INTERIM DIVIDEND**

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2024 (six months ended 30 June 2023: Nil).

## **CAPITAL STRUCTURE**

As at 30 June 2024, the Company had an authorised share capital of HK\$80,000,000 divided into 400,000,000 shares of a par value of HK\$0.2 each, of which 23,433,783 shares of the Company (the "Share(s)") were in issue. No convertible securities, options, warrants or similar rights by the Company or its subsidiaries were outstanding during the period.

The Group did not have any borrowings during the six months ended 30 June 2024 (31 December 2023: Nil).

## **SIGNIFICANT INVESTMENT**

The Group did not hold any significant investment during the six months ended 30 June 2024 (31 December 2023: Nil).

## **MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES**

The Group did not make any material acquisition and disposal of subsidiaries and affiliated companies for the six months ended 30 June 2024 (31 December 2023: Nil).

## **CHARGE ON ASSETS**

As at 30 June 2024 and 31 December 2023, no bank deposit was pledged for banking facility granted to the Group.

## **FUTURE PLAN FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS**

Up to the date of this announcement, the Group does not have any other plan for material investments or capital assets.

## **EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES AND RELATED HEDGES**

During the six months ended 30 June 2024, the Group's transactions were substantially denominated in either Hong Kong dollars, United States dollars or Japanese Yen. The Group did not use any financial instruments for hedging purposes (31 December 2023: Nil). A significant volatility in foreign exchange rates may negatively affect the Group's results of operations and other comprehensive income.

## **CONTINGENT LIABILITIES**

As at 30 June 2024, the Group did not have any contingent liabilities (31 December 2023: Nil).

## **DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY OF ITS ASSOCIATED CORPORATIONS**

As at 30 June 2024, the interests and short positions of the Directors and chief executives of the Company in the Shares, underlying Shares or 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) (the “SFO”)) which were required under Divisions 7 and 8 of the SFO to be notified to the Company and the Stock Exchange (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), 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 were as follows:

### **Long position in the shares of associated corporation as at 30 June 2024:**

<b>Name of Director</b>	<b>Name of associated corporation</b>	<b>Capacity</b>	<b>Number of shares held/ interested</b>	<b>Percentage of the issued share capital of associated corporation (approximate)</b>
Chang Chuan-Wang	Hon Hai Precision Industry Co., Ltd.	Beneficial owner	17,000	0.00%

Save as disclosed above, as at 30 June 2024, none of the Directors nor chief executives of the Company had any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required under Divisions 7 and 8 of the SFO to be notified to the Company and the Stock Exchange (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), 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 six months ended 30 June 2024 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 six months ended 30 June 2024.

## SUBSTANTIAL SHAREHOLDERS' INTERESTS AND/OR SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES

As at 30 June 2024, to the best knowledge of the Directors, the following persons (not being a Director or chief executive of the Company) had interests or short positions in the Shares or underlying Shares which were required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO:

### Long position in the Shares as at 30 June 2024:

Name of shareholders	Capacity	Number of Shares held/ interested	Percentage of the issued share capital of the Company (approximate)
Foxconn (Far East) Limited ( <i>Note</i> )	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 held by Foxconn (Far East) Limited pursuant to the SFO.

Save as disclosed above, as at 30 June 2024, 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 any Shares and the underlying Shares which were required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

## COMPETING BUSINESS

During the six months ended 30 June 2024, none of the Directors, controlling shareholders of the Company or their respective close associates (as defined in the GEM Listing Rules) had any interests in a business that competes or may compete, either directly or indirectly, with the business of the Group.



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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2024.

## **CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted a code of conduct regarding securities transactions by Directors (the "**Company's Code**") on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Upon the Company's specific enquiry, each of the Directors has confirmed that during his/her tenure as Director in the six months ended 30 June 2024, he/she had fully complied with the required standard of dealings and the Company's Code, and there was no event of non-compliance.

## **CORPORATE GOVERNANCE CODE**

The Company has adopted the principles and the code provisions in the Corporate Governance Code (the "**CG Code**") as set out in Part 2 of Appendix C1 to the GEM Listing Rules. During the six months ended 30 June 2024, the Company has complied with the CG Code.

## **REVIEW OF INTERIM FINANCIAL INFORMATION**

The unaudited interim condensed consolidated financial information of the Group for the six months ended 30 June 2024 has been reviewed by the Company's auditor, BDO Limited, in accordance with Hong Kong Standard on Review Engagement 2410 "Review of Interim Financial Information Performed by Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountant.

The audit committee of the Company has reviewed the unaudited interim condensed consolidated financial statements of the Group for the six months ended 30 June 2024, this announcement and the interim report, and has provided advice and comments thereon.

## **EVENT OCCURRING AFTER THE REPORTING PERIOD**

Subsequent to the six months ended 30 June 2024, on 12 July 2024, the grantee of the call option, which is an indirect wholly-owned subsidiary of the Company, has notified the associate's existing shareholders in writing that it would not exercise the call option granted by the associate's shareholders during the call option period. The associate's existing shareholders may buy-back all of the shares of the associate held by the Group within the buy-back period for the buy-back consideration. Please refer to the Company's announcement dated 4 June 2018 for details on the terms of the above options as defined in the shareholders' agreement.

By order of the Board

**CircuTech International Holdings Limited**

**Mr. Chang Chuan-Wang**

*Chairman*

Hong Kong, 13 August 2024

*As at the date of this announcement, the executive Director is Ms. Chen Ching-Hsuan; the non-executive Directors are Mr. Chang Chuan-Wang and Mr. Hsia Ke-Ping; 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 on the "Latest Listed Company Information" page of the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) for at least seven days from the date of its posting and on the website of the Company at [www.circutech.com](http://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.*