

TARGET

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GENES TECH GROUP HOLDINGS COMPANY LTD: ONE CANNOT HOLD BACK THE ONCOMING TIDE OF THE POPULACE, FOR EVEN ONE MILLISECOND

Genes Tech Group Holdings Company Ltd is domiciled in the Cayman Islands, but its Place of Business is said to be in Taiwan, a territory, considered by a number of countries, as being a ‘*Semi-Presidential Republic.*’

Genes Tech Group Holdings Company Ltd (靖洋集團控股有限公司), Code: 8257, The Growth Enterprise Market – The **GEM** – sought and obtained a listing of its entire Issued and Fully Paid-Up Share Capital on the Secondary Equity Market of the **Hongkong Special Administrative Region (HKSAR)** of the **People’s Republic of China (PRC)** on July 14, 2017.

For its first four Financial Years as a GEM Company, the Financial Year, ending December 31, the Company did more than reasonably well, but, at the conclusion of the 2022 Financial Year, Management was forced to announce that the Company’s Results had to be inscribed in red ink.

The business of the Company is, principally, that of an investment-holding, corporate entity.

Its subsidiaries are engaged in the provision of turnkey solutions* and trading in semiconductor manufacturing equipment and parts, thereof.

The Company is said to operate through two main segments, to wit:

1. The Turnkey Solution of Used Semiconductor Magnet is Electronic SME while Parts Segment is mainly engaged in the sourcing and sales of the used SME and Parts after refurbishment, modification, installation, and customisation to customers’ specification, as well as the provision of repair, upgrading, and maintenance services; and,
2. The trading of SME and Parts Segment is mainly engaged in the acquisition and sales of used SME and Parts.

* A Turnkey Solution is, generally, defined as follows:

‘A type of system built end-to-end for a customer that can be easily implemented into a current business process.’

**THE 2022 ANNUAL REPORT OF
GENES TECH GROUP HOLDINGS COMPANY LTD**

On or about Wednesday, March 22, 2023, Management of Genes Tech Group Holdings Company Ltd caused to publish and disseminate its 2022 Annual Report in the HKSAR.

At Pages Five and Six of this Report, Mr Yang Ming Hsiang (楊名翔), the Chairman of the Board of Directors of the Company, had this to impart to shareholders and prospective investors, alike:

‘The global semiconductor market has experienced significant ups and downs in 2022, when the imbalance between the demand and supply of global semiconductor continued in the first half of the year. For the second half of the year, players of most of the industries worldwide felt pessimistic for the economy, affected by factors such as the persistent Russo-Ukrainian War, China’s epidemic control, continuous hikes in the funds rate and intense inflation. Therefore, the demand for consumption is (sic) weak, resulting in a slowdown in the growth of the semiconductor industry and inventory adjustments which denote the start of a downward industrial cycle for the semiconductor market. According to the information provided by Semiconductor Industry Association (SIA), global semiconductor sales reached a record high of USD573.5 billion in 2022, representing an increase of 3.2% from USD555.9 billion in 2021. However, sales in the fourth quarter of 2022 fell by 14.7% year-on-year to USD130.2 billion, and fell by 7.7% quarter-on-quarter. According to a survey by Gartner, a market research firm, total revenue for the global semiconductor industry only increased by 1.1% in 2022 amounting to USD601.7 billion, slightly higher than the USD595.0 billion in 2021. Gartner also revised downwards its forecast on the total revenue for the global semiconductor industry for 2023 to 3.6%. According to IC Insights, global semiconductor sales increased by 3% in 2022 to USD636.0 billion, when total semiconductor sales are expected to decrease by 5% for 2023. According to the report of the Development Institution of Industry, Technology and International Strategy of the Industrial Technology Research Institute (工研院產科國際所) (IEK) in Taiwan, for the semiconductor industry in Taiwan, a new era of mass production for 3-nanometre (nm) semiconductors is expected to arrive formally in 2023, in view of the advancement of technology despite the decline in sales. There is a possibility for the total annual production value to climb to NTD5* trillion, with an annual growth rate of 6.1%.*

‘According to the latest report from IC Insights, the capital expenditure of the global semiconductor industry reached a record high of USD181.7 billion in 2022, representing an increase of 19% as compared with 2021. However, a year-on-year slump of 19% is forecast for 2023, being the biggest drop since the global financial crisis in 2008. Semiconductor Equipment and Materials International (SEMI) has also predicted that

global sales of semiconductor equipment would shrink by 16% annually to USD91.2 billion in 2023, when growth would resume in 2024. It is possible for Taiwan to top the list in terms of capital expenditure for semiconductor equipment in 2024.

‘Although there were short-term fluctuations in the global production value of the semiconductor industry in 2022 due to market cycles and macroeconomic conditions, many market research firms predict that this downward cycle may bottom out in the second half of 2023, and global semiconductor sales will rebound in 2024, as they may be driven by the possible recovery of demand in industrial sectors such as communication, high performance computing (HPC), artificial intelligence (AI), electric and autonomous vehicles (ADAS) (電動和自動駕駛汽車) and low-Earth-orbit satellites. The long-term outlook for the semiconductor market remains promising.

‘On the other hand, the geopolitical situation continues to hang over the global semiconductor industry, when the global production and supply chain model have completely changed. The United States passed the “CHIPS and Science Act” and formed the “CHIP 4” alliance with Taiwan, South Korea, and Japan respectively in August 2022, and adopted measures for tightening its regulations on exporting advanced semiconductor technology to China in October. In January 2023, it reached an agreement with the Dutch and Japanese governments for imposing controls ... [CLICK TO ORDER FULL ARTICLE](#)

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