

# TARGET

## Intelligence Report

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### **CIRCUTECH INTERNATIONAL HOLDINGS LTD: TAIWAN HOLDS, TIGHTLY, ONTO THE REINS OF POWER OVER THIS COMPANY**

Whereas the entire Issued and Fully Paid-Up Share Capital of CircuTech International Holdings Ltd (訊智海國際控股有限公司) (Code: 8051, The Growth Enterprise Market – The GEM – The Stock Exchange of Hongkong Ltd) is listed on the secondary equity market of The Hongkong Special Administrative Region (HKSAR) of The People's Republic of China (PRC), in point of fact, there is a publicly listed company, named Hon Hai Precision Industry Company Ltd (鴻海精密工業股份有限公司), its entire Issued and Fully Paid-Up Share Capital, being listed on The Taiwan Stock Exchange (Stock Code: 2317.TW), holds the reins of power over CircuTech International Holdings Ltd.

De facto, Hon Hai Precision Industry Company Ltd has an equity stake in CircuTech International Holdings Ltd, being the Controlling Shareholder of not less than 50.58 percent of the entire Issued Share Capital of the HKSAR public company.

The Chairman of the Board of Directors of CircuTech International Holdings Ltd is, today, Mr Chang Chuan Wang (張傳旺), a Non-Executive Director of the Company, who makes no bones of stating that he, publicly, owns 17,000 shares of Hon Hai Precision Industry Company Ltd.

On or about Tuesday, March 12, 2024, Mr Chang Chuan Wang produced his seven-paragraph Chairman's Statement to the Shareholders of CircuTech International Holdings Ltd with regard to the 2023 Financial Year, ended December 31, 2023, that included:

*'In 2023, the Group recorded revenue amounted to approximately HK\$152.1 million (2022: approximately HK\$368.2 million); net profit of approximately HK\$6.6 million (2022: approximately HK\$5.1 million), representing an approximately 30.7% increase in amount.*

*'During the year 2023, the Group has made strategic plan to diversify our business segments and focus on developing the repairs and service support segment. This move was aimed at avoiding overconcentration on a single business segment and its associated risks. We believe that by expanding our service offerings, we can enhance the overall financial*

*performance of the Group and benefit from the relatively high-profit margin returns in the repairs and service support segment.*

*‘Furthermore, we have observed a growing trend among people worldwide who now prefer using refurbished IT (Information Technology) products due to their affordability and environmental friendliness. Numerous studies and researches revealed that the demand for refurbished IT products has been steadily increasing over the past years. This shift in consumer behavior aligns with our commitment to sustainability and the avoidance of excess wastage of IT products. By offering refurbished IT products as a viable alternative, we contribute to the reduction of electronic waste and promote a circular economy.*

*‘In line with our commitment to the circular economy, the Group is actively exploring business opportunities to invest in the “**Circular Economy**” business segment, from providing after-sales services for third-party IT products, including computers, communications, and consumer electronics (the “**3C Products**”) to reproduce raw materials. This expansion will not only diversify our revenue streams but also contribute to the sustainable management of electronic waste. The management of the Group believes that the trade of “**Green Technology**” will be a hot topic in the near future, and we aim to position the Group as a leading player in this emerging market...’.*

At Pages Six of the 2023 Annual Report of Company, under the heading, ‘**MANAGEMENT DISCUSSION AND ANALYSIS**,’ one was told, under the subhead, ‘**Sales and distribution of IT products**,’ the following intelligence:

*‘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 used and refurbished units that are distributed through our well-established wholesale network covering North America, Asia and Australia.*

*‘The global secondary IT products market experienced a significant increase in both demand and supply in 2023. A growing number of consumers opted for refurbished IT products, which are more affordable and environmentally friendly. Additionally, the heightened focus on the circular economy and sustainability led to the increased awareness of refurbished products in recent years. As a result, consumers became more familiar with the advantages of choosing pre-owned devices and were exposed to their numerous benefits...’.*

At the following Page Seven of the 2023 Annual Report, under the heading, ‘**Provision of repairs and other service support of IT products**,’ one was enlightened on scanning the following paragraph:

*‘During the year, 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.*

***'Segment information by business line***

*'During the ... [CLICK TO ORDER FULL ARTICLE](#)*

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