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## **CCIAM Future Energy Limited**

**信能低碳有限公司**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 145)**

### **(I) PROPOSED SHARE CONSOLIDATION; AND (II) PROPOSED RIGHTS ISSUE ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY TWO (2) CONSOLIDATED SHARES HELD ON THE RECORD DATE**

**Placing Agent**



**Space Securities Limited**

#### **(I) PROPOSED SHARE CONSOLIDATION**

The Board proposes to implement the Share Consolidation on the basis that every ten (10) Existing Shares in the share capital of the Company be consolidated into one (1) Consolidated Share. The Share Consolidation is conditional upon, among other things, the approval of the Shareholders at the EGM.

The existing board lot of 8,000 Shares will remain unchanged upon the Share Consolidation becoming effective.

**Shareholders and potential investors of the Company should be aware of and take note that the Share Consolidation is conditional upon satisfaction of the conditions set out in the paragraph headed “Conditions and expected effective date of the Share Consolidation” in the main text below of this announcement. Accordingly, the Share Consolidation may or may not proceed.**

## **(II) PROPOSED RIGHTS ISSUE**

The Company proposes to raise gross proceeds of up to approximately HK\$19,779,963 (before expenses) by issuing up to 56,514,181 Rights Shares (assuming no further issue or repurchase of Shares on or before the Record Date) by way of rights issue at the Subscription Price of HK\$0.35 per Rights Share on the basis of one (1) Rights Share for every two (2) Consolidated Shares held on the Record Date. Subject to fulfilment of the conditions of the Rights Issue, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of the provisionally allotted Rights Shares. The Rights Issue is only available to the Qualifying Shareholders and will not be extended to the Excluded Shareholders. There will be no excess application arrangement in relation to the Rights Issue.

The estimated net proceeds from the Rights Issue (after deducting the estimated expenses in relation to the Rights Issue) is expected to be up to approximately HK\$17.4 million. Details of the use of proceeds are set out in the section headed “**REASONS FOR AND BENEFITS OF THE RIGHTS ISSUE AND USE OF PROCEEDS**” in this announcement.

### **OPTIONHOLDERS’ UNDERTAKINGS**

As at the date of this announcement, each of the holders of the Share Options has signed the Optionholder’s Undertakings not to exercise the Share Options (or any part thereof) granted to him/her from the date of the Optionholder’s Undertakings to the close of business on the Record Date (both dates inclusive).

### **THE PLACING AGREEMENT**

According to Rule 7.21(1)(b) of the Listing Rules, the Company will make the Compensatory Arrangements to dispose of the Placing Shares by offering these Shares to independent Placees for the benefit of the Shareholders to whom they are offered by way of the Rights Issue. Accordingly, on 18 January 2024 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Placing Agent has agreed, as an agent of the Company, to procure Placees, on a best effort basis, to subscribe for the Placing Shares during the Placing Period.

## **WARNING OF THE RISKS OF DEALING IN THE EXISTING SHARES, THE CONSOLIDATED SHARES AND NIL-PAID RIGHTS**

**Shareholders and potential investors of the Company should note that the proposed Rights Issue is conditional upon, among others, the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms. Please refer to the section headed “Conditions of the Rights Issue” in this announcement. Accordingly, the Rights Issue may or may not proceed.**

**The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of the provisionally allotted Rights Shares.**

**Any Shareholder or other person dealing in the Existing Shares, the Consolidated Shares and/or the Nil-paid Rights up to the date on which all the conditions to which the Rights Issue are fulfilled (which is expected to be on Thursday, 21 March 2024) will accordingly bear the risk that the Rights Issue and/or the Placing may not become unconditional or may not proceed.**

**Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Existing Shares, the Consolidated Shares and/or the Nil-paid Rights. Any party who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional adviser(s).**

### **LISTING RULES IMPLICATIONS**

#### **The Rights Issue**

As the proposed Rights Issue will not increase the number of issued shares or the market capitalisation of the Company by more than 50% (on its own or when aggregated with any other rights issues or open offers announced by the issuer (i) within the 12 month period immediately preceding the announcement of the proposed rights issue or (ii) prior to such 12 month period where dealing in respect of the shares issued pursuant thereto commenced within such 12 month period, together with any bonus securities, warrants or other convertible securities (assuming full conversion) granted or to be granted to shareholders as part of such rights issues or open offers) and the Rights Issue is not underwritten by a Director, chief executive or substantial shareholder of the Company (or any of their respective close associates), the Rights Issue is not conditional upon approval by the Shareholders.

The Rights Issue does not result in a theoretical dilution effect of 25% or more on its own. As such, the theoretical dilution impact of the Rights Issue is in compliance with Rule 7.27B of the Listing Rules.

## **GENERAL**

The EGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Share Consolidation. A circular containing, among other things, (i) further details of the Share Consolidation; and (ii) a notice convening the EGM, is expected to be despatched to the Shareholders on Friday, 19 January 2024.

Subject to the fulfilment of the conditions of the Rights Issue, the Company will despatch the Prospectus Documents containing, among other things, details of the Rights Issue, to the Qualifying Shareholders on the Prospectus Posting Date. The Company will despatch the Prospectus (without the PAL) to the Excluded Shareholders for their information only.

### **(I) PROPOSED SHARE CONSOLIDATION**

The Board proposes to implement the Share Consolidation on the basis that every ten (10) Existing Shares in the share capital of the Company be consolidated into one (1) Consolidated Share.

#### **Effects of the Share Consolidation**

As at the date of this announcement, there are 1,130,283,633 Existing Shares in issue which are fully paid or credited as fully paid. Assuming that no further Shares are issued or repurchased from the date of this announcement until the effective date of the Share Consolidation, immediately after the Share Consolidation becoming effective, there will be 113,028,363 whole Consolidated Shares in issue which are fully paid or credited as fully paid.

Upon the Share Consolidation becoming effective, the Consolidated Shares shall rank *pari passu* in all respects with each other.

Other than the expenses to be incurred in relation to the Share Consolidation, the implementation of the Share Consolidation will not alter the underlying assets, business operations, management or financial position of the Company or the proportionate interests or rights of the Shareholders, save that any fractional Consolidated Shares will not be allocated to Shareholders who may otherwise be entitled and the necessary professional expenses for the implementation of the Share Consolidation.

## **Fractional entitlement to Consolidated Shares**

Fractional Consolidated Shares, if any, will be disregarded and will not be issued to the Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefits of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Shares regardless of the number of existing share certificates held by such holder.

## **Conditions and expected effective date of the Share Consolidation**

The Share Consolidation is conditional upon the following conditions being satisfied:

- (i) the passing of an ordinary resolution by the Shareholders to approve the Share Consolidation at the EGM;
- (ii) the Stock Exchange granting the listing of, and permission to deal in, the Consolidated Shares in issue and to be issued upon the Share Consolidation becoming effective; and
- (iii) the compliance with the relevant procedures and requirements under the Hong Kong laws (where applicable) and the Listing Rules to effect the Share Consolidation.

Subject to the fulfilment of the conditions of the Share Consolidation, the effective date of the Share Consolidation is expected to be Thursday, 8 February 2024, being the second business day immediately after the EGM. As at the date of this announcement, none of the conditions above had been fulfilled.

## **Application for listing of the Consolidated Shares**

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Consolidated Shares upon the Share Consolidation becoming effective.

Subject to the granting of listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange upon the Share Consolidation becoming effective, as well as compliance with the stock admission requirements of HKSCC, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements will be made for the Consolidated Shares to be admitted into CCASS established and operated by HKSCC.

None of the Existing Shares are listed or dealt in on any other stock exchange other than the Stock Exchange. Upon the Share Consolidation becoming effective, the Consolidated Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is proposed to be sought.

#### **Board lot size**

The existing board lot size of 8,000 Existing Shares will remain unchanged upon the Share Consolidation becoming effective. The value of the current board lot, based on the closing price of HK\$0.04 per Existing Share as at the date of this announcement, was HK\$320. Upon the Share Consolidation becoming effective, the expected value of each board lot of 8,000 Consolidated Shares, based solely on the closing price of HK\$0.04 per Existing Share (equivalent to the theoretical closing price of HK\$0.40 per Consolidated Share) as at the date of this announcement, is expected to be HK\$3,200.

#### **Arrangement on odd lots trading and matching services**

In order to facilitate the trading of odd lots (if any) of the Consolidated Shares arising from the Share Consolidation, a designated broker will be appointed by the Company to provide matching services, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holding of odd lots of the Consolidated Shares. Details of the matching service will be provided in the circular of the Company to be despatched to the Shareholders.

Holders of odd lots of the Consolidated Shares should note that successful matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed. Any Shareholder, who is in any doubt about the odd lots trading arrangement, is recommended to consult his/her/its own professional advisers.

**Shareholders or potential investors should note that (i) odd lots will be created after the Share Consolidation; (ii) odd lots arrangements do not guarantee successful matching of all odd lots at the relevant market price; and (iii) odd lots might be sold below the market price in the market.**

### **Exchange of share certificates**

Subject to the Share Consolidation having become effective, Shareholders may during the specified period submit share certificates for Existing Shares to the Registrar, Tricor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for exchange for share certificates in red colour for the Consolidated Shares at the expense of the Company.

Thereafter, certificates for the Existing Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such other amount as may be allowed by the Stock Exchange from time to time) by the Shareholders for each share certificate for the Existing Shares cancelled or each new share certificate issued for the Consolidated Shares, whichever the number of share certificates cancelled/issued is higher.

Subject to the Share Consolidation becoming effective, after 4:10 p.m. on Friday, 15 March 2024, trading will only be in Consolidated Shares which share certificates will be issued in red colour. Existing share certificates in yellow colour for the Existing Shares will cease to be valid for trading and settlement purpose, but will remain valid and effective as documents of title.

### **Adjustments in relation to other securities of the Company**

As at the date of this announcement, there are outstanding Share Options for subscription of an aggregate of 7,196,143 Existing Shares under the Share Option Scheme. The Share Consolidation may lead to adjustments to the exercise price and/or the number of Consolidated Shares falling to be issued upon exercise of the outstanding Share Options pursuant to the terms and conditions of the Share Option Scheme and the Listing Rules. The Company shall within 28 days after receipt of a confirmation of the independent financial advisor or the auditors and inform the holders of the Share Options and will publish announcement(s) on such adjustments as and when appropriate.

Save for the aforesaid, the Company has no other outstanding convertible securities, options or warrants in issue which are convertible or exchangeable into Shares as at the date of this announcement.

## **Reasons for and benefits of the Share Consolidation**

Pursuant to Rule 13.64 of the Listing Rules, where the market price of the securities of the issuer approaches the extremities of HK\$0.01 or HK\$9,995.00, the Stock Exchange reserves the right to require the issuer either to change the trading method or to proceed with a consolidation or splitting of its securities. Further, according to the “Guide on trading arrangements for selected types of corporate actions” issued by the Stock Exchange on 28 November 2008 and last updated on 1 October 2020 (the “**Guide**”), it has stated that the market price of the shares at a level less than HK\$0.10 each will be considered as trading at extremity as referred to under Rule 13.64 of the Listing Rules. It has also stated in the Guide that taking into account the minimum transaction costs for a securities trade, the expected value per board lot should be greater than HK\$2,000.

For the past six months, the share price of the Company has been trading at or below HK\$0.10, and the closing price of the Existing Shares on the date of this announcement was HK\$0.04. The existing board lot value has been less than HK\$2,000. The Directors consider that the proposed Share Consolidation will increase the share price of the Company, over HK\$0.1, and the board lot value, over HK\$2,000, of the Existing Shares and would bring about a corresponding upward adjustment in the expected value per board lot. As such, it would enable the Company to comply with the trading requirements under the Listing Rules. Further, the Share Consolidation would reduce the overall transaction and handling costs of dealings in the shares of the Company as a proportion of the market value of each board lot, since most of the banks/securities houses will charge a minimum transaction cost for each securities trade. It is believed that the adjusted share price as a result of the Share Consolidation would maintain the trading amount for each board lot at a reasonable level and will enhance the corporate image of the Company so as to make investing in the Shares more attractive to a broader range of institutional and professional investors and thus help to further broaden the shareholder base of the Company. The Directors also believe that the Share Consolidation will provide greater opportunity for and more flexibility in the Company’s possible equity fund raising in the future.

As at the date of this announcement, the Company has no intention to carry out other corporate actions in the next 12 months which may have an effect of undermining or negating the intended purpose of the Share Consolidation, and the Company does not have any concrete plan to conduct any fund-raising activities, save for the Rights Issue as set out in this announcement, in the next 12 months. However, the Board cannot rule out the possibility that the Company will conduct debt and/or equity fund raising exercises when suitable fund-raising opportunities arise in order to support future development of the Group. The Company will make further announcement in this regard in accordance with the Listing Rules as and when appropriate.

The Board believes that the Share Consolidation will not have any material adverse effect on the financial position of the Group nor result in a change in the relative rights of the Shareholders, save for any fractional Consolidated shares to which Shareholders may otherwise be entitled.

In view of the above reasons, the Board considers that the Share Consolidation is in the interests of the Company and the Shareholders as a whole.

## **WARNING**

**Shareholders and potential investors of the Company should be aware of and take note that the Share Consolidation is conditional upon satisfaction of the conditions set out in the paragraph headed “Conditions and expected effective date of the Share Consolidation” in this announcement. Accordingly, the Share Consolidation may or may not proceed.**

## **(II) PROPOSED RIGHTS ISSUE**

The Board proposes to raise gross proceeds of up to approximately HK\$19,779,963 (before expenses) by issuing up to 56,514,181 Rights Shares (assuming no further issue or repurchase of Shares on or before the Record Date) by way of rights issue at the Subscription Price of HK\$0.35 per Rights Share on the basis of one (1) Rights Share for every two (2) Consolidated Shares held on the Record Date. Details of the Rights Issue are set out below:

### **Rights Issue statistics**

Basis of the Rights Issue	:	One (1) Rights Share for every two (2) Consolidated Shares held by the Qualifying Shareholders at the close of business on the Record Date
Subscription Price	:	HK\$0.35 per Rights Share
Net Subscription Price per Rights Share (i.e. Subscription Price less Rights Issue expenses)	:	Approximately HK\$0.308 per Rights Share

Number of Existing Shares in issue as at the date of this announcement	:	1,130,283,633 Existing Shares
Number of Consolidated Shares in issue immediately upon the Share Consolidation becoming effective	:	113,028,363 Consolidated Shares (assuming no further issue or repurchase of Shares up to the effective date of the Share Consolidation)
Number of Rights Shares to be issued pursuant to the Rights Issue	:	Up to 56,514,181 Rights Shares (assuming no further issue or repurchase of Shares on or before the Record Date)
Number of Consolidated Shares in issue upon completion of the Rights Issue	:	Up to 169,542,544 Consolidated Shares (assuming no further issue or repurchase of Shares on or before the Record Date other than the Rights Shares)
Gross proceeds to be raised before expenses	:	Up to approximately HK\$19,779,963 (before expenses)

As at the date of this announcement, the Company has 7,196,143 outstanding Share Options granted under the Company's Share Option Scheme. As at the date of this announcement, each of the holders of the Share Options has signed the Optionholder's Undertakings not to exercise the Share Options (or any part thereof) granted to him/her from the date of the Optionholder's Undertakings to the close of business on the Record Date (both dates inclusive).

Assuming that there will not be any further issue of new Shares or repurchase of Shares on or before the Record Date, the 56,514,181 Rights Shares to be issued pursuant to the terms of the proposed Rights Issue represents approximately 50.00% of the total number of issued Consolidated Shares upon the Share Consolidation becoming effective and approximately 33.33 % of the total number of issued Consolidated Shares as enlarged by the allotment and issue of the Rights Shares (assuming all the Rights Shares will be taken up).

As at the date of this announcement, save for the Optionholder's Undertakings, the Board has not received any information or other undertakings from any Shareholders of their intention to take up or not to take up the securities of the Company to be offered to them under the Rights Issue.

## **Optionholder's Undertakings**

As at the date of this announcement, each of the holders of the Share Options has signed the Optionholder's Undertakings not to exercise the Share Options (or any part thereof) granted to him/her from the date of the Optionholder's Undertakings to the close of business on the Record Date (both dates inclusive).

## **Non-underwritten basis**

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares. In the event that the Rights Issue is not fully subscribed, the Rights Shares not taken up by the Qualifying Shareholders will be placed to independent Placees under the Compensatory Arrangements. The Placing Shares which remain not placed under the Compensatory Arrangements will not be issued by the Company and the size of the Rights Issue will be reduced accordingly. There is no minimum amount to be raised under the Rights Issue. There is also no statutory requirement regarding minimum subscription level in respect of the Rights Issue.

As the Rights Issue will proceed on a non-underwritten basis, Shareholders who apply to take up all or part of their entitlements under the PALs may unwittingly incur an obligation to make a general offer for the Shares under the Takeovers Code. Accordingly, the Rights Issue will be made on terms that the Company will provide for the Shareholders to apply on the basis that if the Rights Shares are not fully taken up, the application of any Shareholder (except for HKSCC Nominees Limited) for his/her/its assured entitlement under the Rights Issue will be scaled down to a level which (i) does not trigger an obligation on part of the relevant Shareholder to make a general offer under the Takeovers Code in accordance to the note to Rule 7.19(5)(b) of the Listing Rules; and/or (ii) does not result in the non-compliance of the Public Float Requirement on the part of the Company.

## **The Subscription Price**

The Subscription Price of HK\$0.35 per Rights Share is payable in full by a Qualifying Shareholder upon acceptance of the relevant provisional allotment of the Rights Shares under the Rights Issue, or where a transferee of the Nil-paid Rights applies for the Rights Shares.

The Subscription Price represents:

- (i) a discount of 12.5% to the theoretical closing price of HK\$0.40 per Consolidated Share (after taking into account the effect of the Share Consolidation) based on the closing price of HK\$0.04 per Existing Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 11.17% to the adjusted theoretical average closing price of approximately HK\$0.394 per Consolidated Share (after taking into account the effect of the Share Consolidation) based on the average closing price of HK\$0.0394 per Existing Share as quoted on the Stock Exchange for the five (5) consecutive trading days up to and including the Last Trading Day;
- (iii) a discount of approximately 10.49% to the adjusted theoretical average closing price of approximately HK\$0.391 per Consolidated Share (after taking into account the effect of the Share Consolidation) based on the average closing price of HK\$0.0391 per Existing Share as quoted on the Stock Exchange for the ten (10) consecutive trading days up to and including the Last Trading Day;
- (iv) a discount of approximately 8.69% to the theoretical ex-rights price of approximately HK\$0.3833 per Consolidated Share (after taking into account the effect of the Share Consolidation), based on the closing price of HK\$0.04 per Existing Share as quoted on the Stock Exchange on the Last Trading Day;
- (v) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) of a discount of approximately 4.18%, represented by the theoretical diluted price of approximately HK\$0.3833 per Consolidated Share (after taking into account the effect of the Share Consolidation) to the theoretical benchmarked price of HK\$0.40 per Consolidated Share (as defined under Rule 7.27B of the Listing Rules, taking into account the higher of the closing price of HK\$0.04 per Existing Share on the Last Trading Day and the average closing price of the Existing Shares as quoted on the Stock Exchange for the five (5) consecutive trading days prior to the Last Trading Day of HK\$0.0394 per Existing Share and adjusted for the effect of the Share Consolidation); and
- (vi) a discount of approximately 5.41% over the unaudited consolidated net asset value per Consolidated Share of approximately HK\$0.37 (based on the latest published unaudited consolidated net asset value of the Group as at 30 June 2023 of approximately HK\$41,584,000 as disclosed in the interim report of the Company for the six months ended 30 June 2023 and 113,028,363 Consolidated Shares in issue after the adjustment of the effect of the Share Consolidation).

The Subscription Price was set at a discount to the recent closing prices of the Shares aiming at lowering the further investment cost of the Shareholders so as to encourage them to take up their entitlements to maintain their shareholdings in the Company, thereby minimising dilution impact. The Subscription Price was determined with reference to, among others, (i) the market price of the Existing Shares under the prevailing market conditions; (ii) the financial position of the Group; and (iii) the reasons as discussed in the section headed “**REASONS FOR AND BENEFITS OF THE RIGHTS ISSUE AND USE OF PROCEEDS**” in this announcement. The Board considers that the terms of the Rights Issue (including the Subscription Price) are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

The estimated net price per Rights Share (assuming no further issue or repurchase of Shares on or before the Record Date) after deducting the related expenses of the Rights Issue will be approximately up to HK\$0.308.

### **Status of the Rights Shares**

The Rights Shares, when allotted, issued and fully paid, shall rank *pari passu* in all respects among themselves and with the Consolidated Shares then in issue, including the rights to receive all future dividends and other distributions which may be declared, made or paid with a record date which falls on or after the date of allotment of the Rights Shares in their fully-paid form.

### **Qualifying Shareholders**

The Rights Issue is only available to the Qualifying Shareholders. To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company as at the close of business on the Record Date and not be an Excluded Shareholder. In order to be registered as members of the Company on the Record Date so as to qualify for the Rights Issue, any transfers of the Shares (together with the relevant share certificate(s) and/or the instrument(s) of transfer) must be lodged with the Registrar, Tricor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration no later than 4:30 p.m. on Thursday, 15 February 2024.

Shareholders whose Shares are held by nominee companies (or which are deposited in CCASS) should note that the Board will regard a nominee company (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company. Shareholders with their Shares held by nominee companies (or which are deposited in CCASS) are advised to consider whether they would like to arrange for registration of the relevant Shares in the name of the beneficial owner(s) prior to the Record Date. Shareholders and investors should consult their professional advisers if they are in doubt as to their status and action to be taken.

It is expected that the last day of dealings in the Consolidated Shares on a cum-rights basis is Friday, 9 February 2024, and the Consolidated Shares will be dealt with on an ex-rights basis from Wednesday, 14 February 2024.

Subject to the fulfilment of the conditions of the Rights Issue, the Company will despatch the Prospectus Documents containing, among other things, details of the Rights Issue, the Placing Agreement and the transactions contemplated thereunder, to the Qualifying Shareholders on the Prospectus Posting Date. The Company will despatch the Prospectus (without the PAL) to the Excluded Shareholders for their information only.

**Qualifying Shareholders who do not take up the Rights Shares to which they are entitled and Excluded Shareholders should note that their shareholdings in the Company will be diluted.**

#### **Closure of register of members**

The register of members of the Company will be closed from Friday, 16 February 2024 to Thursday, 22 February 2024 (both dates inclusive) for determining the Shareholders' entitlements to the Rights Issue. No transfer of Shares will be registered during the above book closure period.

#### **Rights of the Overseas Shareholders (if any)**

The Prospectus Documents to be issued in connection with the Rights Issue will not be registered or filed under the securities law of any jurisdiction other than Hong Kong. Overseas Shareholders may not be eligible to take part in the Rights Issue as explained below.

The Board will comply with Rule 13.36 of the Listing Rules and make necessary enquiries regarding the feasibility of extending the Rights Issue to the Overseas Shareholders (if any) under the laws of the relevant overseas jurisdictions and the requirements of the relevant regulatory bodies or stock exchanges. If, based on legal advice, the Board is of the opinion that it would be necessary or expedient not to offer the Rights Shares to any Overseas Shareholders on account either of the legal restrictions of the relevant overseas regulatory body or stock exchange, no provisional allotment of the Nil-paid Rights or allotment of fully-paid Rights Shares will be made to such Overseas Shareholders. In such circumstances, the Rights Issue will not be extended to the Excluded Shareholders. The basis for excluding the Excluded Shareholders, if any, from the Rights Issue will be set out in the Prospectus to be issued.

As at the date of this announcement, there are eight Overseas Shareholders with registered addresses situated in the British Virgin Islands, Malaysia, PRC, Singapore and the United States of America.

Arrangements will be made for the Rights Shares, which would otherwise have been provisionally allotted to the Excluded Shareholders, to be sold in their nil-paid form as soon as practicable after dealings in the Nil-paid Rights commence, if a premium (net of expenses) can be obtained. The proceeds of such sale, less expenses, will be paid pro rata (but rounded down to the nearest dollar) to the relevant Excluded Shareholders in Hong Kong dollars, except that the Company will retain individual amounts of less than HK\$100 for its own benefit.

All ES Unsold Rights Shares, which would otherwise have been provisionally allotted to the Excluded Shareholders in nil-paid form, will be placed by the Placing Agent at the price at least equal to the Subscription Price under the Placing. For the Nil-paid Rights that are sold as described above but the buyers of such Nil-paid Rights do not take up the entitlement, such Unsubscribed Rights Shares will be subject to the Compensatory Arrangements. Any ES Unsold Rights Shares and Unsubscribed Rights Shares which are not placed under the Placing will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

**Overseas Shareholders should note that they may or may not be entitled to the Rights Issue, subject to the results of enquiries made by the Directors pursuant to Rule 13.36(2)(a) of the Listing Rules. The Company reserves the right to treat as invalid any acceptance of or applications for Rights Shares where it believes that such acceptance or application would violate the applicable securities or other laws or regulations of any territory or jurisdiction. Accordingly, the Overseas Shareholders should exercise caution when dealing in the Shares.**

### **Basis of provisional allotments**

The Rights Shares will be allotted on the basis of one (1) Rights Share for every two (2) Consolidated Shares held by the Qualifying Shareholders as at the close of business on the Record Date at the Subscription Price payable in full on application and otherwise on the terms and subject to the conditions set out in the Prospectus Documents. Any holdings (or balance of holdings) of less than two (2) Shares will not entitle their holders to be provisionally allotted a Rights Share. Please refer to the arrangement as referred to in the paragraph headed “**Fractional entitlement to the Rights Shares**” below.

Application for all or any part of a Qualifying Shareholder’s provisional allotment should be made by completing a PAL and a cheque or a banker’s cashier order for the sum payable for the Rights Shares being applied for with the Registrar on or before the Latest Time for Acceptance.

### **Fractional entitlement to the Rights Shares**

In any event, fractions of the Rights Shares will not be provisionally allotted to any of the Qualifying Shareholders. Fractional entitlements will be rounded down to the nearest whole number of Rights Shares and aggregated and, if a premium (net of expenses) can be obtained, sold in the market by the Company.

### **Certificates of the Rights Shares or refund cheques for the Rights Issue**

Subject to fulfilment of the conditions of the Rights Issue, share certificates for the fully-paid Rights Shares are expected to be posted on Thursday, 28 March 2024, to those entitled thereto by ordinary post, at their own risk, to their registered addresses.

If the Rights Issue is terminated, refund cheques will be posted on Thursday, 28 March 2024 by ordinary post to the respective Shareholders, at their own risk, to their registered addresses.

## **Application for listing of the Rights Shares**

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Rights Shares (in both nil-paid and fully-paid forms) to be issued and allotted pursuant to the Rights Issue. No part of the securities of the Company is listed or dealt in, and no listing of or permission to deal in any such securities is being or is proposed to be sought, on any other stock exchanges.

Subject to the granting of the listing of, and the permission to deal in, the Rights Shares (in both their nil-paid and fully-paid forms) on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares (in both their nil-paid and fully-paid forms) will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in their nil-paid and fully-paid forms on the Stock Exchange, or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek advice from their licensed securities dealer(s) or other professional adviser(s) for details of those settlement arrangements and how such arrangements will affect their rights and interests.

Dealing in the Rights Shares in both their nil-paid and fully-paid forms will be in the board lots of 8,000 Rights Shares. Dealings in the Rights Shares in both nil-paid and fully-paid forms, which are registered in the register of members of the Company in Hong Kong, will be subject to the payment of stamp duty, Stock Exchange trading fee, SFC transaction levy or any other applicable fees and charges in Hong Kong.

## **Compensatory Arrangements**

The Company will make arrangements described in Rule 7.21(1)(b) of the Listing Rules to dispose of the Placing Shares by offering the Placing Shares to independent Placees for the benefit of the Shareholders to whom they were offered by way of the Rights Issue. As the Compensatory Arrangements are in place, there will be no excess application arrangement in relation to the Rights Issue.

Pursuant to the Placing Agreement, the Company has appointed the Placing Agent to place the Placing Shares during the Placing Period to independent Placees on a best effort basis. The Placing Agent will, on a best effort basis, procure, by not later than 6:00 p.m., on Thursday, 21 March 2024, acquirers for all (or as many as possible) of those Placing Shares. Any premium over the Subscription Price and the expenses of procuring such acquirers (including commission and other related expenses/fees) that is realised will be paid to those No Action Shareholders and Excluded Shareholders on a pro-rata basis. All Placing Shares which are not placed under the Placing will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

Net Gain (if any) will be paid (without interest) on pro-rata basis (on the basis of all Placing Shares) to the No Action Shareholders and the Excluded Shareholders (but rounded down to the nearest cent) as set out below:

- (i) where the Nil-paid Rights are, at the time they lapse, represented by a PAL, to the person whose name and address appeared on the PAL (unless that person is covered by (iii) below);
- (ii) where the Nil-paid Rights are, at the time they lapse, registered in the name of HKSCC Nominees Limited, to the beneficial holders (via their respective CCASS participants) as the holders of those Nil-paid Rights in CCASS (unless that they are covered by (iii) below); and
- (iii) if the Rights Issue is extended to the Overseas Shareholders and where entitlements to the Rights Shares were not taken up by such Overseas Shareholders, to those Overseas Shareholders.

It is proposed that Net Gain of HK\$100 or more to the individual No Action Shareholder mentioned in (i) to (iii) above will be paid to them in Hong Kong Dollars only and the Company will retain individual amount of less than HK\$100 for its own benefit. Shareholders are reminded that Net Gain may or may not be realised and, accordingly, the No Action Shareholders and the Excluded Shareholders may or may not receive any Net Gain.

## THE PLACING AGREEMENT

On 18 January 2024 (after trading hours), the Company and the Placing Agent (each a “**Party**” and collectively, the “**Parties**”) entered into the Placing Agreement, pursuant to which the Placing Agent has agreed, as agent of the Company, to procure Placees, on a best effort basis, to subscribe for the Placing Shares during the Placing Period.

The principal terms of the Placing Agreement are summarised below:

- Date : 18 January 2024 (after trading hours)
- Issuer : The Company
- Placing Agent : Space Securities Limited, appointed as the Placing Agent to place the Placing Shares on a best effort basis. The Placing Agent has confirmed that it is an Independent Third Party.
- Placing period : The period commencing on the first business day after the Latest Time for Acceptance and expiring at 6:00 p.m. on the Latest Placing Date (or such other date and time as agreed between the Company and the Placing Agent), being the period during which the Placing Agent will seek to conduct and complete the Placing (the “**Placing Period**”).
- Placing price : The placing price of the Placing Shares, which shall not be less than the Subscription Price and the final price of which is dependent on the demand and market conditions of the Placing Shares during the Placing.
- Placing Commission : Subject to completion of the Placing, the Company shall pay to the Placing Agent a placing commission of 5% of the actual gross proceeds from the subscription of the Placing Shares.
- Placees : The individuals, corporate, institutional investors or other investors procured by the Placing Agent and/or its sub-placing agents to subscribe for the Placing Shares pursuant to the Placing Agreement.

- Ranking of the Placing Shares : The Placing Shares, when allotted and issued, shall rank *pari passu* in all respects among themselves and with the Consolidated Shares in issue.
- Termination : Notwithstanding anything contained in the Placing Agreement, the Placing Agent may terminate the Placing Agreement without any liability to the Company save for antecedent breach under the Placing Agreement prior to such termination, by notice in writing given to the Company at any time prior to the Latest Placing Date upon the occurrence of the following events which, in the reasonable opinion of the Placing Agent, to be material in the context of the Placing or has or may have a material adverse impact on the business or financial conditions or prospects of the Group or the success of the Placing or the full placement of all of the Placing shares or has or may otherwise make it appropriate, inadvisable or inexpedient to proceed with the Placing on the terms and in the manner contemplated in the Placing Agreement if there develops, occurs or comes into force:
- (i) the Company fails to comply with its material obligations under the Placing Agreement;
  - (ii) the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events, developments or changes occurring or continuing before, on and/or after the date of the Placing Agreement) and including an event or change in relation to or a development of an existing state of affairs of a political, military, industrial, financial, economic, fiscal, regulatory or other nature, resulting in a change in, or which may result in a change in, political, economic, fiscal, financial, regulatory or stock market conditions and which in the Placing Agent's reasonable opinion would materially and adversely affect the success of the Placing; or

(iii) any of the warranties of the Company under the Placing Agreement is not, or has ceased to be, true, accurate and not misleading in material respect by reference to the facts subsisting at the time.

If (i) notice is given pursuant to the above under this paragraph headed “Termination” or (ii) all the Rights Shares have been taken up by the Qualifying Shareholders and/or the holders of the Nil-paid Rights on or before the Latest Time for Acceptance, the Placing Agreement shall terminate and be of no further effect and neither Party shall be under any liability to the other Party in respect of the Placing Agreement save for any antecedent breach under the Placing Agreement prior to such termination.

Conditions precedent : The Placing is conditional upon the fulfilment of the following conditions:

- (i) the passing by the Shareholders at the EGM of the necessary resolutions to approve the Share Consolidation;
- (ii) the Listing Committee having granted the listing of, and permission to deal in, the Rights Shares;
- (iii) none of the representations, warranties or undertakings contained in the Placing Agreement being or having become untrue, inaccurate or misleading in any material respect at any time before the completion of the Placing, and no fact or circumstance having arisen and nothing having been done or omitted to be done which would render any of such undertakings, representations or warranties untrue or inaccurate in any material respect if it was repeated as at the time of the completion of the Placing;

- (iv) all necessary consents and approvals to be obtained by the respective Parties in respect of the Placing and other transactions contemplated in the Placing Agreement having been obtained; and
- (v) the Placing Agreement not having been terminated in accordance with the provisions thereof.

The conditions precedent (i), (ii), (iv) and (v) above shall not be waived by any Party while the condition precedent (iii) above may be waived by the Placing Agent (but not by the Company) unilaterally in writing to the Company at any time prior to the Latest Placing Date. In the event any of the conditions precedent above not having been satisfied or fulfilled (or waived in accordance with the foregoing provisions of this paragraph) on or before the Latest Placing Date (or such later date as may be agreed between the Parties in writing), all rights, obligations and liabilities of the respective Parties shall cease and terminate and no Party shall have any claim against the other Party save for any antecedent breach of the Placing Agreement prior to such termination.

Placing completion : The completion of the Placing shall take place on 26 March 2024 (or such other date as the Company and the Placing Agent may agree in writing).

The Placing Agent shall ensure that the Placing Shares are placed only to institutional, corporate or individual investors who and whose ultimate beneficial owners shall be Independent Third Parties such that (i) no Placee shall become a substantial Shareholder immediately following the Placing; (ii) the Placing will not have any implication under the Takeovers Code and no Shareholder will be under any obligation to make a general offer under the Takeovers Code as a result of the Placing; and (iii) the Placing will not result in the Company incapable of complying with the public float requirements under the Listing Rules immediately following the Placing.

The engagement between the Company and the Placing Agent for the placing of the Placing Shares was determined after arm's length negotiations between the Placing Agent and the Company and is on normal commercial terms with reference to the market comparables, the existing financial position of the Group, the size of the Rights Issue, and the market conditions. The Board considers the terms of the Placing for the Placing Shares (including the commission payable) are on normal commercial terms.

Given that the Compensatory Arrangements would provide (i) a distribution channel of the Placing Shares; and (ii) a compensatory mechanism for No Action Shareholders and the Excluded Shareholders, the Board considers that the Compensatory Arrangements are fair and reasonable and would provide adequate safeguard to protect the interest of the Company's minority shareholders.

### **Conditions of the Rights Issue**

The Rights Issue is conditional upon:

- (1) the Share Consolidation having become effective;
- (2) the delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong respectively of the Prospectus Documents in compliance with the Listing Rules and the Companies (WUMP) Ordinance not later than the Prospectus Posting Date;
- (3) the posting of the Prospectus Documents to the Qualifying Shareholders and the posting of the Prospectus to the Excluded Shareholders (for information only) on or before the Prospectus Posting Date;
- (4) the Listing Committee granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms;
- (5) compliance with and performance of all undertakings and obligations, and representations and warranties of the Company under the Placing Agreement, and the Placing Agreement not having been terminated in accordance with its terms; and
- (6) compliance with the requirements under the applicable laws and regulations of Hong Kong.

None of the above conditions can be waived. If any of the conditions referred to above is not fulfilled by 21 March 2024, the Rights Issue will not proceed.

**As the proposed Rights Issue is subject to the above conditions, it may or may not proceed.**

## **REASONS FOR AND BENEFITS OF THE RIGHTS ISSUE AND USE OF PROCEEDS**

The Group is currently engaged in design and provision of energy saving solutions. It also explores the possibility of resuming its loan financing business.

As disclosed in the interim report of the Company for the six months ended 30 June 2023, the Group's energy saving solutions business recorded an unaudited revenue of approximately HK\$15.3 million. The Company will continue to invest in the development of the energy saving solution business. On the other hand, the Company has engaged in the loan financing business in the past. Due to the uncertainty of Hong Kong's overall economic environment a few years ago, the Company has adopted a prudent strategy in the loan financing business. The Company will explore the possibility of resuming the loan financing business.

Assuming full subscription under the Rights Issue, the gross proceeds from the Rights Issue will be up to approximately HK\$19.78 million. The estimated net proceeds from the Rights Issue after deducting the estimated expenses in relation to the Rights Issue will be approximately HK\$17.4 million, of which (i) approximately HK\$8 million is intended for existing and new energy saving or utilisation projects; (ii) approximately HK\$3 million is intended for the loan financing business to be resumed; and (iii) approximately HK\$6.4 million is intended for general working capital of the Group (including but not limited to salary expenses, rent expenses and other office and corporate expenses).

Currently, the Company has ongoing projects in respect of energy saving solution and system maintenance in the Mainland China market. The Company is also negotiating for an energy saving project in Hong Kong. The payment for the costs (such as raw materials and staff costs) of the above projects will be made according to the progress of the project implementation and the Company intends to allocate approximately HK\$8 million, representing approximately 46% of the net proceeds for the business development in this sector.

The Group had a proven track record of loan financing business and the Company has continued to be a holder of money lenders license issued under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong) for more than a decade. In light of the uncertainty and the highly competitive money lending market in Hong Kong over the past years, the Group has adopted a very prudent approach in the business development in the loan financing business. The recent high interest rate economic environment and under the recovery period after the pandemic which cause the increasing demand for the loan financing services and would generate higher return for the Company. The loan financing business was resumed in late 2023.

The Company currently engages in loan financing business through its subsidiaries with the money lenders license issued under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong). The Group's target customers include individuals and private companies and will mainly target at, including but not limited to, personal loans, mortgage loans and term loans. As at the date of this announcement, four loans have been granted to an entity and individuals who are third parties independent to and not connected with the Group and its connected persons. The aggregate principal amount to the loans is approximately HK\$400,000. Source of clients is mainly from the business referral of the senior management of the Group, designated referral agents, and/or walk-in clients from the marketing plans to be launched by the Group. Loan size of each application will be determined after the credit risk assessment.

Upon receiving a loan application, know-your-customer procedures will firstly be carried out and credit risk assessment will then be conducted by the credit department of the Group. Background of the potential client (for corporate client, the background of its beneficial owners will also be considered), purpose of the loan, source of fund for repayment, value of collateral or guarantee (if applicable) and all information which is regarded necessary will be considered before granting of the loan. Stress test will also be applied. The credit assessment result will be sent to a director of the money lending subsidiary and the finance department for approval. For the loan amount exceeding a designated threshold level, one more director of the money lending subsidiary's approval is required. Size tests will also be prepared by the finance department or by the financial adviser to ascertain whether there are any Listing Rules implications for granting a loan. After the credit risk assessment is approved, the customer service team will respond to the potential client the target loan amount and if the potential client agrees to it, loan documents (including mortgage/guarantee documents) will be prepared internally or if applicable, by legal advisers. If notifiable transaction is constituted, all of the Directors will be informed and the respective loan will be subject to the Board's approval and relevant disclosure will be made as required under the Listing Rules.

The finance department will keep monitoring the repayment situation of the granted loans on monthly basis and will report to the executive Directors as well. Loan recovery actions will be strictly undertaken to ensure the repayment of the loans. With the new policies and guidelines to regulate the money lending industry in recent years, the Company is confident that the loan financing business will broaden its revenue stream while adequate credit control will also be implemented.

In order to accommodate the business development of the loan financing business, the Company has assigned Mr. Mok Tsan San (“**Mr. Mok**”), an executive Director, to oversee the loan financing business. Mr. Mok was an executive director of a listed company in Hong Kong which was also engaged in loan financing business and he has extensive experience in loan financing business. The Group has also recruited certain senior managerial staff who have more than 10 years’ experience in loan financing and they will be in charge of the operation including business development and monitoring the approval procedures of the loan financing business.

Given that the Rights Issue will be on a non-underwritten basis, in the event that there is an under-subscription of the Rights Issue, the net proceeds from the Rights Issue will be reduced. The Company will firstly apply approximately HK\$8 million on the existing and new energy saving or utilisation projects and the balance will be utilised in proportion to the loan financing business and general working capital of the Group.

The Board has considered other fund-raising alternatives before resolving to the proposed Rights Issue, including but not limited to debt financing, placing and open offer. In respect of debt financing, the Directors have considered that the debt financing may not be achievable on favourable terms in a timely manner and the cost of debt financing may increase together with additional requirements with asset pledging or guarantees to be provided by the Group. Therefore, the Directors are of the view that the debt financing from financial institutions are of limited accessibility and undesirable effects and such funding method is not in the interests of the Company and its Shareholders as a whole. As for placing of new Shares, it is relatively smaller in scale as compared to other fund-raising methods such as rights issue and it would lead to immediate dilution in the shareholding interest of the existing Shareholders without offering them the opportunity to participate in the enlarged capital base of the Company, which is not the intention of the Company. As for open offer, while it is similar to a rights issue, offering qualifying shareholders to participate, it does not allow free trading of rights entitlements in the open market, unlike a rights issue, which would allow Shareholders to have more flexibility in dealing with the Shares and the nil paid rights attaching thereto. On the other hand, the Board considers that the Rights Issue, being pre-emptive in nature, will allow all Qualifying Shareholders to participate in the future development of the Company and at the same time offer more flexibility to the Qualifying Shareholders to choose whether to maintain, increase or decrease their respective pro rata shareholdings in the Company by taking up only their respective rights entitlement, acquiring additional rights entitlement or disposing of their rights entitlements in the open market (subject to availability).

In view of the above, the Board considers that it is in the interests of the Company and the Shareholders as a whole to proceed with the Rights Issue to provide existing Shareholders the opportunity to participate in the enlarged capital base of the Company.

## EFFECTS ON SHAREHOLDING STRUCTURE

To the best knowledge of the Directors, the following table sets out the possible changes in the shareholding structure of the Company arising from the Share Consolidation and the Rights Issue which are for illustrative purpose only.

As at the date of this announcement, the Company has 1,130,283,633 Existing Shares in issue. Set out below is the shareholding structure of the Company assuming there is no change in the issued share capital of the Company before completion of the Rights Issue other than the allotment and issue of the Consolidated Shares and the Rights Shares pursuant to the Share Consolidation and the Rights Issue respectively (i) as at the date of this announcement; (ii) immediately after the Share Consolidation becoming effective but before completion of the Rights Issue; (iii) immediately after the Share Consolidation becoming effective and immediately upon completion of the Rights Issue (assuming full subscription under the Rights Issue); and (iv) immediately after the Share Consolidation becoming effective and immediately upon completion of the Rights Issue (assuming nil acceptance by the Qualifying Shareholders and all the Placing Shares have been placed by the Placing Agent).

Shareholders	(i) As at the date of this announcement		(ii) Immediately after the Share Consolidation becoming effective but before completion of the Rights Issue		(iii) Immediately after the Share Consolidation becoming effective and immediately upon completion of the Rights Issue (assuming full subscription under the Rights Issue)		(iv) Immediately after the Share Consolidation becoming effective and immediately upon completion of the Rights Issue (assuming nil acceptance by the Qualifying Shareholders and all the Placing Shares have been placed by the Placing Agent)	
	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %
<b>Director</b>								
Mr. Cheng Lut Tim (Note 1)	38,000,000	3.36	3,800,000	3.36	5,700,000	3.36	3,800,000	2.24
<b>Placees</b>	-	-	-	-	-	-	56,514,181	33.33
<b>Public Shareholders</b>	1,092,283,633	96.64	109,228,363	96.64	163,842,544	96.64	109,228,363	64.43
<b>Total</b>	1,130,283,633	100.00	113,028,363	100.00	169,542,544	100.00	169,542,544	100.00

### Note:

- The Shares are held by Excellent Winning Investment Limited. Mr. Cheng Lut Tim is interested in Excellent Winning Investment Limited. Mr. Cheng Lut Tim is therefore deemed to be interested in 38,000,000 Shares held by Excellent Winning Investment Limited under the SFO.

The Public Float Requirement under the Listing Rules shall be fulfilled by the Company at all times. The Company will take all appropriate steps to ensure that sufficient public float be maintained at all times in compliance with Rule 8.08 of the Listing Rules.

## **POSSIBLE ADJUSTMENT TO SHARE OPTIONS UNDER THE SHARE OPTION SCHEME**

Pursuant to the terms of the Share Option Scheme and the Listing Rules, the exercise price and/or the number of the outstanding Share Options granted under the Share Option Scheme shall be adjusted as a result of the Rights Issue.

The Company will notify the holders of the Share Options and the Shareholders by way of announcement (as and when appropriate) regarding adjustments to be made (if any) pursuant to the terms of the Share Option Scheme and the Listing Rules and such adjustment will be certified by the auditors of the Company or an independent financial adviser appointed by the Company.

## **FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE MONTHS**

Save as disclosed below, the Company has not conducted any equity fund raising activities in the past twelve months immediately preceding the date of this announcement.

<b>Date of initial announcement</b>	<b>Event</b>	<b>Net proceeds raised (approximately)</b>	<b>Intended use of proceeds</b>	<b>Actual use of proceeds as at the date of this announcement</b>
7 June 2023	Placing of new shares under general mandate	HK\$7.08 million	approximately HK\$7.08 million in aggregate for general working capital of the Group, including but not limited to existing and new energy saving projects, administrative expenses and salary and wages	approximately HK\$5.11 million have been utilised as intended and the remaining balance of approximately HK\$1.97 million will be utilised as intended and is expected to be fully utilised by the end of 2024

## EXPECTED TIMETABLE

The expected timetable for the Share Consolidation and the Rights Issue is set out below. The expected timetable is subject to change and any such change will be announced in a separate announcement by the Company as and when appropriate.

<b>Event</b>	<b>Date (Hong Kong time)</b>
Publication of this announcement .....	Thursday, 18 January 2024
Despatch date of the circular in relation to the Share Consolidation with notice of the EGM .....	Friday, 19 January 2024
Latest date and time for lodging transfers of Existing Shares in order to qualify for attendance and voting at the EGM .....	4:30 p.m. on Wednesday, 31 January 2024
Closure of register of members for the entitlement to attend and vote at the EGM (both days inclusive) .....	Thursday, 1 February 2024 to Tuesday, 6 February 2024
Latest date and time for lodging forms of proxy for the EGM (not less than 48 hours prior to the time of the EGM) .....	11:00 a.m. on Sunday, 4 February 2024
Record date for attendance and voting at the EGM .....	Tuesday, 6 February 2024
Date and time of the EGM .....	11:00 a.m. on Tuesday, 6 February 2024
Publication of the announcement of the voting results of the EGM .....	Tuesday, 6 February 2024

Register of members re-opens ..... Wednesday, 7 February 2024

Effective date of the Share Consolidation ..... Thursday, 8 February 2024

First day of free exchange of existing share certificates for  
new share certificates for the Consolidated Shares ..... Thursday, 8 February 2024

Commencement of dealings in the Consolidated Shares ..... 9:00 a.m. on  
Thursday, 8 February 2024

Original counter for trading in the Existing Shares in board  
lots of 8,000 Existing Shares (in the form of existing  
share certificates) temporarily closes ..... 9:00 a.m. on  
Thursday, 8 February 2024

Temporary counter for trading in the Consolidated Shares  
in board lots of 800 Consolidated Shares  
(in the form of existing share certificates) opens ..... 9:00 a.m. on  
Thursday, 8 February 2024

Last day of dealings in the Consolidated Shares on  
a cum-rights basis relating to the Rights Issue ..... Friday, 9 February 2024

First day of dealings in the Consolidated Shares on  
an ex-rights basis of the Rights Issue ..... Wednesday, 14 February 2024

Latest time for the Shareholders to lodge transfer of  
Consolidated Shares to qualify for the Rights Issue ..... 4:30 p.m. on  
Thursday, 15 February 2024

Closure of register of members for  
the Rights Issue (both days inclusive) ..... Friday, 16 February 2024 to  
Thursday, 22 February 2024

Record Date for the Rights Issue ..... Thursday, 22 February 2024

Register of members of the Company re-opens ..... Friday, 23 February 2024

Despatch of the Prospectus Documents (in case of  
the Excluded Shareholders, the Prospectus only) ..... Friday, 23 February 2024

Original counter for trading in the Consolidated Shares  
in board lots of 8,000 Consolidated Shares  
(in the form of new share certificates) re-opens ..... 9:00 a.m. on  
Monday, 26 February 2024

Parallel trading in the Consolidated Shares (in the form of  
new share certificates for the Consolidated Shares in  
board lots of 800 Consolidated Shares and  
existing share certificates in board lots of  
8,000 Consolidated Shares) commences ..... 9:00 a.m. on  
Monday, 26 February 2024

Designated broker starts to stand in the market to provide  
matching services for odd lots of the Consolidated Shares ..... 9:00 a.m. on  
Monday, 26 February 2024

First day of dealings in Nil-paid Rights  
(in board lots of 8,000 Rights Shares) ..... Tuesday, 27 February 2024

Latest time for splitting of the PALs ..... 4:30 p.m. on  
Thursday, 29 February 2024

Last day of dealing in Nil-paid Rights  
(in board lots of 8,000 Rights Shares) ..... Tuesday, 5 March 2024

Latest Time for Acceptance of and  
payment for the Rights Shares ..... 4:00 p.m. on  
Friday, 8 March 2024

Announcement of the number of the Placing Shares  
subject to the Compensatory Arrangements ..... Wednesday, 13 March 2024

Commencement of placing of the Placing Shares  
by the Placing Agent ..... Thursday, 14 March 2024

Designated broker ceases to stand in the market to provide  
matching services for odd lots of the Consolidated Shares ..... 4:00 p.m. on  
Friday, 15 March 2024

Temporary counter for trading in the Consolidated Shares in  
board lots of 800 Consolidated Shares  
(in the form of existing share certificates) closes ..... 4:10 p.m. on  
Friday, 15 March 2024

Parallel trading in the Consolidated Shares (in the form of  
new share certificates for the Consolidated Shares in  
board lots of 800 Consolidated Shares and  
existing share certificates in board lots of  
8,000 Consolidated Shares) ends ..... 4:10 p.m. on  
Friday, 15 March 2024

Last day for free exchange of existing share certificates for  
new share certificates for the Consolidated Shares ..... Tuesday, 19 March 2024

Latest time of placing of the Placing Shares  
by the Placing Agent ..... Thursday, 21 March 2024

Latest time for the Rights Issue and placing of  
the Placing Shares to become unconditional ..... Thursday, 21 March 2024

Announcement of results of the Rights Issue  
(including results of the placing of the Placing  
Shares and the amount of the Net Gain per Placing  
Share under the Compensatory Arrangements) ..... Wednesday, 27 March 2024

Despatch of certificates for fully-paid rights shares or  
refund cheques (if the Rights Issue does not proceed) . . . . . Thursday, 28 March 2024

Commencement of dealings in fully-paid Rights Shares . . . . . Tuesday, 2 April 2024

Payment of Net Gain to relevant No Action Shareholders or  
Excluded Shareholders (if any) . . . . . Monday, 15 April 2024

**EFFECT OF BAD WEATHER OR EXTREME CONDITIONS ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES AND APPLICATION FOR AND PAYMENT FOR EXCESS RIGHTS SHARES**

The latest time for acceptance of and payment for the Rights Shares will not take place if there is a tropical cyclone warning signal no. 8 or above or a “black” rainstorm warning or Extreme Conditions:

- (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on Friday, 8 March 2024. Instead, the latest time for acceptance of and payment for the Rights Shares will be extended to 5:00 p.m. on the same business day; or
- (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on Friday, 8 March 2024. Instead, the latest time for acceptance of and payment for the Rights Shares will be rescheduled to 4:00 p.m. on the following business day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.

If the Latest Time for Acceptance does not take place on the currently scheduled date, the dates mentioned in the “**EXPECTED TIMETABLE**” above may be affected. An announcement will be made by the Company in such event as soon as practicable.

## **WARNING OF THE RISKS OF DEALING IN THE EXISTING SHARES, THE CONSOLIDATED SHARES AND NIL-PAID RIGHTS**

**Shareholders and potential investors of the Company should note that the proposed Rights Issue is conditional upon, among others, the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms. Please refer to the section headed “Conditions of the Rights Issue” in this announcement. Accordingly, the Rights Issue may or may not proceed.**

**The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of the provisionally allotted Rights Shares.**

**Any Shareholder or other person dealing in the Existing Shares, the Consolidated Shares and/or the Nil-paid Rights up to the date on which all the conditions to which the Rights Issue are fulfilled (which is expected to be on Thursday, 21 March 2024) will accordingly bear the risk that the Rights Issue and/or the Placing may not become unconditional or may not proceed.**

**Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Existing Shares, the Consolidated Shares and/or the Nil-paid Rights. Any party who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional adviser(s).**

## **LISTING RULES IMPLICATIONS**

### **The Rights Issue**

As the proposed Rights Issue will not increase the number of issued shares or the market capitalisation of the Company by more than 50% (on its own or when aggregated with any other rights issues or open offers announced by the issuer (i) within the 12 month period immediately preceding the announcement of the proposed rights issue or (ii) prior to such 12 month period where dealing in respect of the shares issued pursuant thereto commenced within such 12 month period, together with any bonus securities, warrants or other convertible securities (assuming full conversion) granted or to be granted to shareholders as part of such rights issues or open offers) and the Rights Issue is not underwritten by a Director, chief executive or substantial shareholder of the Company (or any of their respective close associates), the Rights Issue is not conditional upon approval by the Shareholders.

The Rights Issue does not result in a theoretical dilution effect of 25% or more on its own. As such, the theoretical dilution impact of the Rights Issue is in compliance with Rule 7.27B of the Listing Rules.

## **GENERAL**

The EGM will be convened for the Shareholders to consider and, if thought fit, approve the Share Consolidation. A circular containing, among other things, (i) further details of the Share Consolidation; and (ii) a notice convening the EGM, is expected to be despatched to the Shareholders on Friday, 19 January 2024.

Subject to the fulfilment of the conditions of the Rights Issue, the Company will despatch the Prospectus Documents containing, among other things, details of the Rights Issue, to the Qualifying Shareholders on the Prospectus Posting Date. The Company will despatch the Prospectus (without the PAL) to the Excluded Shareholders for their information only.

## **DEFINITIONS**

In this announcement, the following terms shall have the meanings ascribed to them below unless the context otherwise requires:

“associate(s)”	has the same meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“CCASS Operational Procedures”	the Operational Procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to operations and functions of CCASS, as from time to time
“Companies (WUMP) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance, Chapter 32 of the Laws of Hong Kong (as amended from time to time)
“Company”	CCIAM Future Energy Limited (Stock Code: 145), a company incorporated in Hong Kong with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“Compensatory Arrangements”	placing of the Placing Shares by the Placing Agent

“connected person(s)”	shall have the meaning ascribed to it in the Listing Rules
“Consolidated Share(s)”	ordinary shares in the share capital of the Company immediately after the Share Consolidation becoming effective
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held to consider and, if thought fit, approve the Share Consolidation
“ES Unsold Rights Shares”	the Rights Shares which would otherwise have been provisionally allotted to the Excluded Shareholders in nil-paid form that have not been sold by the Company
“Excluded Shareholder(s)”	those Overseas Shareholder(s) to whom the Rights Shares are not offered
“Existing Share(s)”	ordinary share(s) in the share capital of the Company immediately before the Share Consolidation becoming effective
“Extreme Conditions”	the extreme conditions as announced by any Hong Kong Government department or body or otherwise, whether or not under or pursuant to the revised “Code of Practice in Times of Typhoons and Rainstorms” issued by the Labour Department in June 2019 in the event of serious disruption of public transport services, or government services, extensive flooding, major landslides or large-scale power outage after typhoons or incidents similar in seriousness or nature
“General Rules of CCASS”	the terms and conditions regulating the use of CCASS, as may be amended or modified from time to time and where the context so permits, shall include the CCASS Operational Procedures
“Group”	the Company and its subsidiaries

“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and its connected persons
“Last Trading Day”	18 January 2024, being the last trading day of the Existing Shares on the Stock Exchange prior to the making of this announcement
“Latest Placing Date”	21 March 2024 or such other date as the Company and the Placing Agent may agree in writing, being the latest date for the Placing Agent to place the Placing Shares
“Latest Time for Acceptance”	4:00 p.m. on Friday, 8 March 2024 or such other date as may be determined by the Company, being the latest time for acceptance of the offer of and payment for the Rights Shares
“Listing Committee”	has the same meaning as defined in the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Net Gain”	any premiums paid by the Placees over the Subscription Price for the Placing Shares placed by the Placing Agent
“Nil-paid Rights”	rights to subscribe for Rights Shares before the Subscription Price is paid
“No Action Shareholders”	Qualifying Shareholders or their renounees who do not subscribe for the Rights Shares (whether partially or fully) under the PALs or such persons who are holders of Nil-paid Rights when such Nil-paid Rights lapse

“Optionholder’s Undertakings”	the undertaking(s) by the holders of the Share Options, whereby each of such Share Option holders irrevocably undertakes, represents and warrants to the Company that he/she will not exercise such Share Options held by him/her for the period from the date of such undertaking to the close of business on the Record Date (both dates inclusive)
“Overseas Shareholder(s)”	the Shareholder(s) (whose names appear on the register of members of the Company at the close of business on the Record Date) with registered addresses outside Hong Kong
“PAL(s)”	the provisional allotment letter(s) issued to the Qualifying Shareholders for the Rights Shares
“Placees”	individuals, corporate, institutional investors or other investor, procured by the Placing Agent and/or its sub-placing agents to subscribe for the Placing Shares pursuant to the Placing Agreement
“Placing”	the placing of the Placing Shares
“Placing Agent”	Space Securities Limited, a corporation licensed under the SFO to carry out Type 1 (dealing in securities) regulated activities as defined under the SFO
“Placing Agreement”	the placing agreement dated 18 January 2024 entered into between the Company and the Placing Agent in relation to the placing of the Placing Shares
“Placing Share(s)”	the Unsubscribed Rights Share(s) and the ES Unsold Rights Share(s)
“Prospectus”	the prospectus to be issued to the Shareholders containing details of the Rights Issue
“Prospectus Documents”	the Prospectus and the PAL

“Prospectus Posting Date”	23 February 2024 or such other date as may be agreed between the Parties in writing, being the date for the despatch of the Prospectus Documents (in case of Excluded Shareholder(s), the Prospectus only)
“Public Float Requirement”	the public float requirement under Rule 8.08 of the Listing Rules
“Qualifying Shareholders”	the Shareholders, other than Excluded Shareholders, whose names appear on the register of members of the Company at the close of business on the Record Date
“Record Date”	22 February 2024 or such other date as may be determined by the Company for the determination of the Shareholders’ entitlements to the Rights Issue
“Registrar”	Tricor Tengis Limited, being the share registrar and transfer office of the Company at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong
“Rights Issue”	the Rights Shares for subscription by the Qualifying Shareholders by way of rights issue on the basis of one (1) Rights Share for every two (2) Consolidated Shares held on the Record Date at the Subscription Price of HK\$0.35 per Rights Share payable in full on application or otherwise in accordance with the terms and conditions of the Placing Agreement
“Rights Share(s)”	up to 56,514,181 new Consolidated Share(s) to be allotted and issued under the Rights Issue
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the Existing Share(s) or the Consolidated Share(s) (whichever shall be appropriate)

“Share Consolidation”	the consolidation of every ten (10) issued and unissued Existing Shares into one (1) Consolidated Share
“Share Options”	as at the date of this announcement, 7,196,143 outstanding share options granted under the Share Option Scheme
“Share Option Scheme”	the share option scheme adopted by the Company on 2 June 2023
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“Subscription Price”	the subscription price of HK\$0.35 per Rights Share
“substantial shareholder”	has the meaning as ascribed to this term under the Listing Rules
“Takeovers Code”	The Code on Takeovers and Mergers and Share Buy-backs issued by the SFC
“Unsubscribed Rights Shares”	the Rights Shares that are not subscribed by the Qualifying Shareholders
“%”	per cent.

By order of the Board  
**CCIAM Future Energy Limited**  
**Chong Kok Leong**  
*Executive Director*

Hong Kong, 18 January 2024

*As at the date of this announcement, the Board comprises Mr. Cheng Lut Tim, Mr. Chong Kok Leong, Mr. Mok Tsan San and Mr. Zhuang Miaozhong being the executive Directors; and Ms. Li Liming, Mr. Yeung Wai Hung, Peter and Ms. Yuen Wai Man being the independent non-executive Directors.*