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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)

INTERIM RESULTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

The board (the “**Board**”) of directors (the “**Director(s)**”) of CCIAM Future Energy Limited (the “**Company**”) is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively the “**Group**”) for the six months ended 30 June 2024 together with the unaudited comparative figures for the six months ended 30 June 2023 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2024

	<i>Notes</i>	Six months ended 30 June	
		2024	2023
		<i>HK\$’000</i>	<i>HK\$’000</i>
		(Unaudited)	(Unaudited)
Revenue	4	10,262	15,377
Costs of operations		(8,626)	(14,589)
Other income	5	81	619
Net allowance for expected credit losses on trade receivables, contract asset, loan and interest receivables and finance lease receivables		(624)	(432)
Written off of loan and interest receivables		(208)	–
Selling expenses		(335)	(423)
Administrative and operating expenses		(9,031)	(6,093)
Loss from operations		(8,481)	(5,541)
Finance costs	6	(427)	(645)
Loss before taxation	7	(8,908)	(6,186)
Taxation	8	–	–
Loss for the period		(8,908)	(6,186)

	Six months ended 30 June	
	2024	2023
<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Other comprehensive loss for the period, net of tax		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences arising on translation of foreign operations	<u>(445)</u>	<u>(926)</u>
Other comprehensive loss for the period, net of tax	<u>(445)</u>	<u>(926)</u>
Total comprehensive loss for the period, net of tax	<u>(9,353)</u>	<u>(7,112)</u>
Loss for the period attributable to owners of the Company	<u>(8,908)</u>	<u>(6,186)</u>
Total comprehensive loss for the period attributable to owners of the Company	<u>(9,353)</u>	<u>(7,112)</u>
	<i>HK\$</i>	<i>HK\$</i>
		(Restated)
Loss per share		
– Basic and diluted	<i>10</i> <u>0.063</u>	<u>0.067</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2024

		30 June 2024	31 December 2023
	<i>Notes</i>	<i>HK\$'000</i> (Unaudited)	<i>HK\$'000</i> (Audited)
Non-current assets			
Intangible asset		501	501
Property, plant and equipment		384	429
Right-of-use assets		799	652
Loan receivable	11	161	189
Finance lease receivables	12	2,912	6,743
		4,757	8,514
Current assets			
Inventories		2,970	412
Loan and interest receivables	11	3,179	200
Finance lease receivables	12	6,913	4,250
Trade receivables	13	5,920	942
Contract asset	14	2,743	2,814
Prepayments, deposits and other receivables		4,937	2,795
Cash and bank balances		38,060	37,986
		64,722	49,399
Current liabilities			
Trade and other payables	15	6,261	2,562
Contract liability		1,480	2,122
Lease liabilities		730	432
Other borrowing		10,000	10,000
		18,471	15,116
Net current assets		46,251	34,283
Total assets less current liabilities		51,008	42,797

		30 June	31 December
		2024	2023
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
		(Unaudited)	(Audited)
Non-current liabilities			
Lease liabilities		<u>85</u>	<u>218</u>
		<u>85</u>	<u>218</u>
Net assets		<u>50,923</u>	<u>42,579</u>
Capital and reserves			
Share capital	<i>16</i>	3,255,656	3,237,959
Reserves		<u>(3,204,733)</u>	<u>(3,195,380)</u>
Total equity		<u>50,923</u>	<u>42,579</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

1. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements have been prepared in accordance with the Hong Kong Accounting Standard (the “**HKAS**”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The unaudited condensed consolidated financial statements should be read in conjunction with the annual financial statements of the Group for the year ended 31 December 2023 as contained in the Company’s annual report 2023, which have been prepared in accordance with the Hong Kong Financial Reporting Standards (the “**HKFRSs**”).

The preparation of the unaudited condensed consolidated financial statements in conformity with HKAS 34 requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The unaudited condensed consolidated financial statements are presented in HK dollars (“**HK\$**”), which is the same as the functional currency of the Group. All values are rounded to the nearest thousand, unless otherwise stated. These unaudited condensed consolidated financial statements were approved for issue on 27 August 2024.

The financial information relating to the financial year ended 31 December 2023 that is included in this interim results announcement as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that financial year but is derived from those financial statements. Further information relating to these statutory financial statements disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the financial statements for the year ended 31 December 2023 to the Registrar of Companies in accordance with section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance.

The Company’s auditor has reported on those financial statements for the year ended 31 December 2023. The auditors’ report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Companies Ordinance.

2. CHANGES IN ACCOUNTING POLICIES

The Group has adopted all following new and revised HKFRSs, HKAS and Interpretations issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 January 2024.

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKFRS 16	Lease Liability in a Sales and Leaseback
Hong Kong Interpretation 5 (Revised)	Classification by the Borrower of a Term Loan that Contains a
Presentation of Financial Statements	Repayment on Demand Clause (“ HK Int 5 (Revised) ”)
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

None of these amendments have had a material effect on how the Group’s results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3. SEGMENT INFORMATION

Information reported to the Directors, being the chief operating decision maker (“**CODM**”) for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. This is also the basis upon which the Group is organised and specifically focuses on the Group’s operating divisions. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

During the six months ended 30 June 2023, the Group operated only one operating segment which was the provision of design and provision of energy saving solutions. A single management team reported to the Directors of the Group (being the CODM) who comprehensively managed the entire business. Accordingly, the Group did not present separately segment information for the six months ended 30 June 2023.

During the six months ended 30 June 2024, for the purpose of resource allocation and assessment of segment performance, the Group classified its business units based on their products and services and has the following two reportable operating segments:

- Energy saving solutions business
- Loan financing business

Information regarding the Group’s reportable segments for the six months ended 30 June 2024 is presented below.

Segment Revenue and Results

The following is an analysis of the Group’s revenue and results by reportable segments.

For the six months ended 30 June 2024:

	Energy saving solutions business HK\$'000	Loan financing business HK\$'000	Total HK\$'000
Segment revenue	10,016	246	10,262
Segment results	<u>(2,419)</u>	<u>(1,957)</u>	(4,376)
Other gains or losses, net			81
Unallocated administrative expenses			(4,186)
Finance costs			<u>(427)</u>
Loss before taxation			<u><u>(8,908)</u></u>

Segment revenue reported above represents revenue generated from external customers.

The accounting policies of the reportable segments are the same as the Group's accounting policies. Segment results represent the results from each segment without allocation of central administrative costs including directors' emoluments, certain other gains or losses and finance costs.

Other Segment Information

For the six months ended 30 June 2024:

	Energy saving solutions business HK\$'000	Loan financing business HK\$'000	Unallocated HK\$'000	Total HK\$'000
Depreciation of property, plant and equipment	<u>–</u>	<u>55</u>	<u>–</u>	<u>55</u>
Depreciation of right-of-use assets	<u>146</u>	<u>128</u>	<u>–</u>	<u>274</u>
Allowance for expected credit losses on trade receivables	<u>88</u>	<u>–</u>	<u>–</u>	<u>88</u>
Allowance for expected credit losses on contract asset	<u>3</u>	<u>–</u>	<u>–</u>	<u>3</u>
Allowance for expected credit losses on loan and interest receivables	<u>–</u>	<u>321</u>	<u>–</u>	<u>321</u>
Allowance for expected credit losses on finance lease receivables	<u>259</u>	<u>–</u>	<u>–</u>	<u>259</u>
Written off of loan and interest receivables	<u>–</u>	<u>208</u>	<u>–</u>	<u>208</u>
Reversal of allowance for expected credit losses on finance lease receivables	<u>(47)</u>	<u>–</u>	<u>–</u>	<u>(47)</u>

Geographical information

The Group operates in Mainland China and Hong Kong & Macau.

The Group's revenue from external customers and information about its non-current assets by geographical location are detailed below:

	Revenue from external customers		Non-current assets	
	six months ended 30 June		30 June	31 December
	2024	2023	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Mainland China	6,596	15,377	3,004	6,931
Hong Kong & Macau	3,666	–	1,753	1,583

4. REVENUE

Revenue represents the aggregate of the amounts received and receivable from third parties, income from design and provision of energy saving solutions and loan financing business.

An analysis of the Group's revenue by principal activities are as follows:

	Six months ended 30 June	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Revenue from contracts with customers		
Energy saving solutions income	9,885	15,149
Repair and maintenance service income	131	228
Total revenue from contract with customers	10,016	15,377
Add: interest income under HKFRS 9	246	–
	10,262	15,377

5. OTHER INCOME

	Six months ended 30 June	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Bank interest income	20	13
Interest income on finance lease receivables	–	14
Gain on disposal of a subsidiary	–	50
Reversal of accrued sales commission	–	542
Others	61	–
	81	619

6. FINANCE COSTS

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Interest expenses on other borrowing	400	630
Interest expenses on lease liabilities	27	15
	<u>427</u>	<u>645</u>

7. LOSS BEFORE TAXATION

The Group's loss before taxation is arrived at after charging/(crediting):

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Staff costs (including Directors' remuneration):		
– Directors' fee	918	762
– Salaries, bonus and wages	3,134	1,963
– Contribution to retirement benefits schemes	162	76
	<u>4,214</u>	<u>2,801</u>
Written off of loan and interest receivables	208	–
Depreciation of property, plant and equipment	55	2
Depreciation expenses on right-of-use assets	274	96
Net allowances for expected credit losses on trade receivables, contract asset, loan and interest receivables and finance lease receivables		
– Allowance for expected credit losses on trade receivables	88	–
– Allowance for expected credit losses on finance lease receivables	259	524
– Allowance for expected credit losses on contract asset	3	55
– Allowance for expected credit losses on loan and interest receivables	321	–
– Reversal of allowance for expected credit losses on finance lease receivables	(47)	(147)
	<u>624</u>	<u>432</u>

11. LOAN AND INTEREST RECEIVABLES

	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
Fixed-rate loan and interest receivables	3,871	391
Less: Written off of loan and interest receivables	(208)	–
Less: Allowance for expected credit losses	(323)	(2)
	<u>3,340</u>	<u>389</u>

Analysed for reporting purposes as:

	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
Non-current	161	189
Current	<u>3,179</u>	<u>200</u>

The exposure of the Group's fixed-rate loan and interest receivables to interest rate risks and their contractual maturity dates are as follows:

	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
Fixed-rate loan and interest receivables		
Within one year	3,179	200
More than one year but within five years	161	189
	<u>3,340</u>	<u>389</u>

The effective interest rates of the Group's loan receivables are as follows:

	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
Effective interest rates per annum:		
Fixed-rate loan receivables	<u>7.7% to 44.4%</u>	<u>7.7% to 44.7%</u>

12. FINANCE LEASE RECEIVABLES

	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
Current finance lease receivables	27,584	28,229
Non-current finance lease receivables	9,406	11,558
	36,990	39,787
Less: Allowance for expected credit losses	(27,165)	(28,794)
	9,825	10,993

Analysed for reporting purposes as:

	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
Current assets	2,912	6,743
Non-current assets	6,913	4,250
	9,825	10,993

The interest rate inherent in the leases is fixed at the contract date for the entire lease term. The effective interest rate is approximately (8.45%-20.5%) per annum for the six months ended 30 June 2024 (for the year ended 31 December 2023: 8.45%).

Finance lease receivables were considered credit-impaired when the customers fail to settle according to the settlement terms for more than 180 days after taking into consideration the recoverability of collateral and deposits.

Net allowance for expected credit losses of approximately HK\$212,000 has been recognised for finance lease receivables during the six months ended 30 June 2024 (2023: HK\$524,000).

13. TRADE RECEIVABLES

	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
Trade receivables	58,845	55,074
Allowance for expected credit losses	(52,925)	(54,132)
	5,920	942

The ageing analysis of trade receivables is based on the invoice date, net of allowance of expected credit losses, as follows:

	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
0 to 90 days	5,482	908
91 to 180 days	–	18
Over 180 days	438	16
	5,920	942

According to the credit rating of different customers, the Group allows average credit term of 30 days to its customers. Trade receivables disclosed above include amounts which are past due at the end of the reporting period for which the Group has not recognised an allowance for doubtful debts because there has not been a significant change in credit quality and the amounts are still considered recoverable. The Group does not hold any collateral over these balances. The Directors consider that these balances are fully recoverable.

In determining the recoverability of trade receivables, the Group considers any change in credit quality of the trade receivables from the date the credit was initially granted up to the end of the reporting period. The impairment loss recognised represents the difference between the carrying amount of the specific trade receivables and the present value of the expected recoverable amount.

Net allowance for expected credit losses of approximately HK\$88,000 has been recognised for trade receivables during the six months ended 30 June 2024 (2023: HK\$Nil).

14. CONTRACT ASSET

	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
Unbilled receivables (<i>Note</i>)	2,774	2,842
Less: Allowance for expected credit losses	(31)	(28)
	<u>2,743</u>	<u>2,814</u>

Note:

Unbilled receivables included in the contract asset represents the Group's right to receive consideration for work completed and not yet billed because the rights are conditional upon the satisfaction by the customers on the construction work completed by the Group and the work is pending for the certification by the customers. The contract asset is transferred to the trade receivables when the rights become unconditional, which is typically at the time the Group obtains the certification of the completed construction work from the customers.

Net allowance for expected credit losses of approximately HK\$3,000 has been recognised for the contract asset during the six months ended 30 June 2024 (2023: HK\$55,000).

15. TRADE AND OTHER PAYABLES

	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
Trade payables	4,647	891
Accrued expenses	502	1,172
Receipt in advance	3	–
Interest payables	533	133
Other payables	576	366
	<u>6,261</u>	<u>2,562</u>

An aged analysis of trade payables, based on the invoice date, is as follows:

	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
0 to 90 days	4,054	809
91 to 180 days	–	–
181 to 365 days	519	–
Over 365 days	74	82
	<u>4,647</u>	<u>891</u>

Trade payables are interest-free and normally settled on delivery. The average credit period on purchases of goods is 30 days.

16. SHARE CAPITAL

	Number of shares		Share capital	
	2024 '000	2023 '000	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Audited)
Issued and fully paid:				
At the beginning of the period/year	1,130,284	627,997	3,237,959	3,201,626
2023 Rights Issue of shares (<i>Note (a)</i>)	–	313,999	–	29,248
2023 Placing of shares (<i>Note (b)</i>)	–	188,288	–	7,085
Share consolidation (<i>Note (c)</i>)	(1,017,255)	–	–	–
2024 Rights Issue of shares (<i>Note (d)</i>)	56,514	–	17,697	–
	<u>169,543</u>	<u>1,130,284</u>	<u>3,255,656</u>	<u>3,237,959</u>
At the end of the period/year	<u>169,543</u>	<u>1,130,284</u>	<u>3,255,656</u>	<u>3,237,959</u>

Notes:

(a) 2023 Rights issue of shares

On 16 January 2023, the Company completed a rights issue of the then shares before the Share Consolidation (“Old Shares”) and issued 313,998,544 rights shares (“Old Rights Shares”) at a subscription price of HK\$0.10 per Old Rights Share on the basis of one Old Rights Share for every two Old Shares held on the record date, and the net proceeds of the rights issue, after deducting the professional fees and all other relevant expenses of approximately HK\$2,152,000, were approximately HK\$29,248,000. Details of the rights issue were set out in the Company’s announcements dated 28 November 2022, 20 December 2022 and 13 January 2023.

(b) 2023 Placing of shares

On 12 July 2023, the Company placed 188,288,000 Old Shares at the placing price of HK\$0.04 per placing Old Share. The net proceeds, after deducting the transaction costs of approximately HK\$447,000, were approximately HK\$7,085,000. Details of the placing of Old Shares were set out in the Company's announcements dated 7 June 2023, 26 June 2023 and 12 July 2023.

(c) Share consolidation

Upon the share consolidation became effective on 8 February 2024 ("**Share Consolidation**"), the number of share of the Company decreased from 1,130,283,633 Old Shares to 113,028,363 consolidated shares on the basis that every ten Old Shares in the share capital of the Company to be consolidated into one consolidated share by the deduction of 1,017,255,270 Old Shares. Details of the Share Consolidation were set out in the Company's announcements dated 18 January 2024 and 6 February 2024.

(d) 2024 Rights Issue of shares

On 28 March 2024, the Company completed a rights issue of shares and issued 56,514,181 rights shares at a subscription price of HK\$0.35 per rights share on the basis of one rights share for every two existing shares held on the record date, and the net proceeds of the rights issue, after deducting the transaction costs of approximately HK\$2,083,000, were approximately HK\$17,697,000. Details of the rights issue were disclosed in the announcements of the Company dated 18 January 2024, 13 March 2024, 27 March 2024 and the prospectus of the Company dated 23 February 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND PROSPECTS

The Group is principally engaged in the design and provision of energy saving solutions, provision of loan financing services and treasury investments.

For the six months ended 30 June 2024, the Group recorded a total revenue of approximately HK\$10,262,000 (2023: approximately HK\$15,377,000), while the loss was approximately HK\$8,908,000 (2023: approximately HK\$6,186,000). The decrease in revenue was mainly due to the delay in commencement or completion of certain projects.

Energy Saving Solutions Business

During the period under review, the Group continued its energy saving business in the mainland China, which involved (i) the design and implementation of operation system to reduce clients' energy consumption costs; and (ii) the provision of maintenance services related to heating, ventilation and air conditioning system.

To boast its extensive experience in energy saving business, the Group has all along explore other energy saving related business opportunity. In addition to the provision of energy saving solutions in mainland China, the Group has also provided heat-insulating and energy saving solution service for certain buildings in Hong Kong and Macau.

A segment loss of approximately HK\$2,419,000 was recorded for the six months ended 30 June 2024 (2023: approximately HK\$3,092,000). The segment loss was mainly attributable to payments of professional expenses, staff costs and research and development costs.

Loan Financing Business

The Group has a proven track record of loan financing business, and the Company itself has been a holder of money lenders license under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong) for more than a decade.

To enhance the competitive edge in the marketplace and to provide clients greater flexibility, the Group offers personal loans and mortgage loans. As at 30 June 2024, the Group had a net balance of loan and interest receivables of HK\$3,340,000, comprised of 118 personal loans and 2 mortgage loans. The clients included Hong Kong residents and an entity incorporated in Hong Kong. For mortgage loans, clients were required to provide their real realities in Hong Kong as collaterals.

The Group continued to adopt a prudent and cautious approach in running its money lending business by maintaining the ratios of debt-to-income (“DTI”) and loan-to-value (“LTV”) for loan drawdowns at a conservative level. Thanks to such measures, the Group's bad debt provision for the interim period was recorded at a reasonable level when compared to its loan portfolio.

Treasure Investments

With respect to the treasury investments business, the Company is in the process of locating opportunities for this segment. However, there is no desirable opportunity raised for the Group for the time being. The Group will continue to explore business opportunities in the market to develop its business.

PROSPECTS

The Group's energy saving solution business has tied in with the national policy to reduce greenhouse gas emissions. The Group would continue its energy saving business including heat insulation services in the mainland China, Hong Kong and Macau. As an expansion strategy, the Group would consider the strategical collaboration with other entity with a view to speed up the development.

It is generally believed that the federal interest rate has already been at its peak and is expected to adjust downwards in the foreseeable future. In Hong Kong, the government has removed all property cooling measures in its Budget 2024-25. These would in long term provide support to the property valuation in Hong Kong and would boost the lending activities of the territory, and would benefit the Group's loan financing business.

Being an energy saving solution service provider, the Group also proactively seeks the business opportunities in the area of green technology or environmental protection that is fitted to the market needs.

To improve roadside air quality, the Hong Kong government strives to promote the use of electric vehicles ("EV") in Hong Kong. In February 2024, government announced that the first registration tax concession arrangement for EV will be extended for two years to 31 March 2026. The Group anticipates that the number of EVs will rapidly increase, thereby increase the demand for EV charging stations in Hong Kong.

During the period under review, the Group has participated in two government tenders for EV charging stations in Hong Kong. Though the Group was not awarded for such tenders, it would continue to explore alternative ways to develop this line of business, including building the private EV charging stations in New Territories. In long term, it is targeted to install approximately 200 EV chargers and provide high-speed charging services for up to 20,000 vehicles per day. This goal is in line with the city's increasing need for charging infrastructure and the introduction of electric public vehicles such as van and taxi. The Group may also consider exploring opportunities to expand this business model to other Asian cities in the future.

TOTAL ASSETS AND TOTAL LIABILITIES

As at 30 June 2024, the total assets increased to approximately HK\$69,479,000 (31 December 2023: approximately HK\$57,913,000). As at 30 June 2024, in addition to the cash and bank balances, the total assets mainly represented the finance lease receivables amounting to approximately HK\$9,825,000 (31 December 2023: approximately HK\$10,993,000), trade receivables amounting to approximately HK\$5,920,000 (31 December 2023: HK\$942,000) and loan and interest receivables amounting to approximately HK\$3,340,000 (31 December 2023: HK\$389,000).

As at 30 June 2024, total liabilities increased to approximately HK\$18,556,000 (31 December 2023: approximately HK\$15,334,000). The total liabilities mainly represented the trade and other payables of approximately HK\$6,261,000 (31 December 2023: approximately HK\$2,562,000) and other borrowing of approximately HK\$10,000,000 (31 December 2023: approximately HK\$10,000,000).

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

During the six months ended 30 June 2024, the Group financed its operations by internally generated cashflows and other borrowing. As at 30 June 2024, the Group had net current assets of approximately HK\$46,251,000 (31 December 2023: net current assets of approximately HK\$34,283,000). As at 30 June 2024, the Group's cash and bank balances amounted to approximately HK\$38,060,000 (31 December 2023: approximately HK\$37,986,000).

As at 30 June 2024, the gearing ratio, being the ratio of other borrowing of HK\$10,000,000 (31 December 2023: HK\$10,000,000) to the total assets of approximately HK\$69,479,000 (31 December 2023: HK\$57,913,000), was 14.4% (2023: 17.3%).

As at 30 June 2024, the other borrowing was a bond payable of HK\$10,000,000 with a coupon rate of 8% per annum (31 December 2023: HK\$10,000,000).

For the six months ended 30 June 2024, the Company has completed the Share Consolidation of deduction of 1,017,255,270 Old Shares on 8 February 2024 and a rights issue of 56,514,181 new shares on 28 March 2024. As at 30 June 2024, the capital and reserves of the Company were HK\$50,923,000 (31 December 2023: HK\$42,579,000).

CAPITAL COMMITMENT

As at 30 June 2024, the Group had capital commitments, which were contracted but not provided for, in respect of contracts of approximately HK\$3,199,000 (31 December 2023: approximately HK\$3,695,000).

FOREIGN CURRENCY EXPOSURE

The Group conducts its business transactions mainly in the PRC and Hong Kong. The Group's assets were mainly denominated in Renminbi (“RMB”) and Hong Kong Dollars (“HK Dollars”). HK Dollars is the Group's presentation currency. During the period under review, the revenue, cost of operations and operating expenses of the Group are mainly denominated in RMB and HK Dollars. Therefore, the Group is exposed to potential foreign exchange risk as a result of fluctuation of RMB against HK Dollars. The Group has not entered into any significant foreign exchange contract. Management closely monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

CONTINGENT LIABILITIES

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

MATERIAL ACQUISITION AND DISPOSALS

Save as disclosed elsewhere in this announcement, there were no material acquisitions or disposals of subsidiaries or investments during the six months ended 30 June 2024.

CHARGES OVER ASSETS

The Group had no pledged assets, including pledged deposits as at 30 June 2024 (31 December 2023: Nil).

STAFF AND REMUNERATION

As at 30 June 2024, the Group had 22 (2023: 15) employees and directors and total staff costs including directors' remuneration incurred during the period under review amounted to approximately HK\$4,214,000 (2023: approximately HK\$2,801,000). The Group offers competitive remuneration packages to its employees. Other benefits include share options granted or to be granted under the share option scheme of the Company.

USE OF PROCEEDS

The placing of shares under general mandate (the “2023 Placing”) and completed on 12 July 2023

On 7 June 2023 (after trading hours), the Company entered into the placing agreement with the placing agent, pursuant to which the Company has conditionally agreed to place, through the placing agent, on a best efforts basis, up to 188,288,000 Old Shares to not less than six independent placees at the placing price of HK\$0.04 per Old Share.

On 12 July 2023, all the conditions precedent set out in the placing agreement have been fulfilled and the completion of placing took place on 12 July 2023. An aggregate of 188,288,000 Old Shares had been successfully placed by the placing agent to not less than six places at the placing price of HK\$0.04 per placing share pursuant to the terms and conditions of the placing agreement. The net proceeds from the placing were approximately HK\$7,080,000, which the Company intended to apply the net proceeds for general working capital of the Group, including but not limited to existing and new energy saving projects, administrative expenses and salary and wages. The utilisation of the net proceeds from the 2023 Placing was summarised as follows:

	Allocation of net proceeds	Amount utilised up to 30 June 2024	Balance as at 30 June 2024
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
General working capital of the Group	7,080	(7,080)	–

For further details, please refer to the announcements of the Company dated 7 June 2023, 26 June 2023 and 12 July 2023.

The rights issue completed on 28 March 2024 (the “2024 Rights Issue”)

On 18 January 2024, the Company entered into the placing agreement with the placing agent for the proposed rights issue of not less than 56,514,181 rights shares at the subscription price of HK\$0.35 per rights share on the basis of one (1) rights share for every two (2) existing shares in issue. The 2024 Rights Issue transaction had been completed on 28 March 2024, and an aggregate of 56,514,181 new shares had been allotted and issued by the Company.

The gross proceeds from the 2024 Rights Issue were approximately HK\$19,780,000. The net proceeds from the 2024 Rights Issue, after deducting professional fees and all other relevant expenses, were approximately HK\$17,400,000. The Group intended to use the net proceeds from the 2024 Rights Issue as to (i) approximately HK\$8,000,000 for existing and new energy saving projects; (ii) approximately HK\$3,000,000 for loan financing business; and (iii) the remaining balance for general working capital of the Group. The utilisation of the net proceeds from the 2024 Rights Issue was summarised as follows:

	Allocation of net proceeds	Amount utilised up to 30 June 2024	Balance as at 30 June 2024
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Existing and new energy saving projects	8,000	(4,800)	3,200
Loan financing business	3,000	(3,000)	–
General working capital of the Group	6,400	(2,600)	3,800
	<u>17,400</u>	<u>(10,400)</u>	<u>7,000</u>

For more details about the 2024 Rights Issue, please refer to the announcements of the Company dated 18 January 2024 and 13 March 2024, 27 March 2024 and the prospectus of the Company dated 23 February 2024.

INTERIM DIVIDEND

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

PURCHASE, SALE OR REDEMPTION OF SHARES

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

CORPORATE GOVERNANCE

During the six months ended 30 June 2024 and up to date of this announcement, the Company applied the principles of and complied with the code provisions of the Corporate Governance Code (the "**CG Code**") contained in Part 2 of Appendix C1 to the Listing Rules, except for the following deviations:

Under code provision C.2 of the CG Code, the roles of chairman (the "**Chairman**") and chief executive ("**CE**") should be separate and should not be performed by the same individual. The Company did not appoint any Chairman or CE during the period under review, for the reason that the functions of the Chairman and CE are performed by the executive Directors collectively. The Board will review the current practice from time to time and make appropriate changes if considered necessary. For details, please refer to the section headed "Chairman and Chief Executive Officer" below.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 of the Listing Rules (the "**Model Code**") as its code of conduct regarding securities transactions by the Directors. All Directors have confirmed, following a specific enquiry by the Company, that they have complied with the required standard as set out in the Model Code throughout the period under review.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The Company has not appointed chairman and chief executive officer, and the roles and functions of those have been performed by the executive Directors collectively, including but not limited to: properly briefing on issues arising at board meeting by the chairman of the meeting; ensuring good corporate governance practices and procedures are established; encouraging other Directors to make a full and active contribution to the Board's affairs and ensuring that it acts in the best interests of the Group; encouraging every Director with different views to voice their concerns; allowing sufficient time for discussion of issues and ensuring that Board decision fairly reflect Board consensus; providing effective communication with shareholders and that their views are communicated to the Board as a whole; promoting a culture of openness and debate by facilitating the effective contribution of independent non-executive Directors in particular; ensuring constructive relations between executive Directors and independent non-executive Directors; and managing the day-to-day business of the Company. The Board members believe that they have their unique expertise and functions well within the Company.

The company secretary of the Company assists the Board in setting out and finalizing the agenda, after taking into account any matters proposed by any Directors and ensure adequate information being received by the Directors in a timely manner in advance of the intended meeting date and ensuring good corporate governance practices and procedures are in place.

The Board believes that the balance of power and authority for the present arrangement will not be impaired and is adequately ensured by current Board which comprises experience and high caliber individuals with sufficient number thereof being independent non-executive Directors.

AUDIT COMMITTEE REVIEW

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and the unaudited interim financial statements for the six months ended 30 June 2024. The Audit Committee has approved the unaudited interim financial statements.

By Order of the Board
CCIAM Future Energy Limited
Mok Tsan San
Executive Director

Hong Kong, 27 August 2024

As at the date hereof, 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.