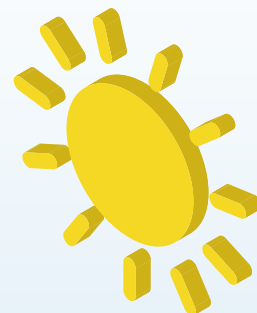


# CCIAM Future Energy Limited 信能低碳有限公司

(Stock Code: 145)

# 2024

## INTERIM REPORT



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## CORPORATE INFORMATION

### BOARD OF DIRECTORS

#### Executive Directors

Mr. Cheng Lut Tim  
Mr. Chong Kok Leong  
Mr. Mok Tsan San  
Mr. Zhuang Miao Zhong

#### Independent Non-executive Directors

Ms. Li Liming  
Mr. Yeung Wai Hung, Peter  
Ms. Yuen Wai Man

### AUDIT COMMITTEE

Ms. Yuen Wai Man (*Chairman*)  
Ms. Li Liming  
Mr. Yeung Wai Hung, Peter

### NOMINATION COMMITTEE

Ms. Yuen Wai Man (*Chairman*)  
Ms. Li Liming  
Mr. Yeung Wai Hung, Peter

### REMUNERATION COMMITTEE

Ms. Yuen Wai Man (*Chairman*)  
Ms. Li Liming  
Mr. Yeung Wai Hung, Peter

### AUDITORS

HLB Hodgson Impey Cheng Limited  
*Certified Public Accountants*

### COMPANY SECRETARY

Mr. Chang Kwan Yip, Quillan

### PRINCIPAL BANKERS

China CITIC Bank International Limited  
Industrial and Commercial Bank of China  
OCBC Wing Hang Bank Limited  
Shanghai Pudong Development Bank  
The Hongkong and Shanghai Banking  
Corporation Limited

### LEGAL ADVISOR

WT Law Offices

### SHARE REGISTRAR

Tricor Tengis Limited  
17/F, Far East Finance Centre  
16 Harcourt Road  
Hong Kong

### REGISTERED OFFICE

Unit D, 7/F  
Seabright Plaza  
9-23 Shell Street  
North Point  
Hong Kong

### STOCK CODE

145

### WEBSITE

<http://www.ccfе.com.hk>



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

	Notes	Six months ended 30 June	
		2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
<b>Revenue</b>	4	<b>10,262</b>	15,377
Costs of operations		<b>(8,626)</b>	(14,589)
Other income	5	<b>81</b>	619
Net allowance for expected credit losses on trade receivables, contract asset, loan and interest receivables and finance lease receivables		<b>(624)</b>	(432)
Written off of loan and interest receivables		<b>(208)</b>	–
Selling expenses		<b>(335)</b>	(423)
Administrative and operating expenses		<b>(9,031)</b>	(6,093)
<b>Loss from operations</b>		<b>(8,481)</b>	(5,541)
Finance costs	6	<b>(427)</b>	(645)
<b>Loss before taxation</b>	7	<b>(8,908)</b>	(6,186)
Taxation	8	–	–
<b>Loss for the period</b>		<b>(8,908)</b>	(6,186)
<b>Other comprehensive loss for the period, net of tax</b>			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		<b>(445)</b>	(926)
<b>Other comprehensive loss for the period, net of tax</b>		<b>(445)</b>	(926)
<b>Total comprehensive loss for the period, net of tax</b>		<b>(9,353)</b>	(7,112)
<b>Loss for the period attributable to owners of the Company</b>		<b>(8,908)</b>	(6,186)
<b>Total comprehensive loss for the period attributable to owners of the Company</b>		<b>(9,353)</b>	(7,112)
		<b>HK\$</b>	<b>HK\$</b>
<b>Loss per share</b>			(Restated)
– Basic and diluted	10	<b>0.063</b>	0.067

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

AT 30 JUNE 2024

	Notes	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
<b>Non-current assets</b>			
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
		<b>4,757</b>	8,514
<b>Current assets</b>			
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	15	4,937	2,795
Cash and bank balances		38,060	37,986
		<b>64,722</b>	49,399
<b>Current liabilities</b>			
Trade and other payables	16	6,261	2,562
Contract liability		1,480	2,122
Lease liabilities		730	432
Other borrowing		10,000	10,000
		<b>18,471</b>	15,116
<b>Net current assets</b>			
		<b>46,251</b>	34,283
<b>Total assets less current liabilities</b>			
		<b>51,008</b>	42,797
<b>Non-current liabilities</b>			
Lease liabilities		85	218
		<b>85</b>	218
<b>Net assets</b>			
		<b>50,923</b>	42,579
<b>Capital and reserves</b>			
Share capital	17	3,255,656	3,237,959
Reserves		(3,204,733)	(3,195,380)
<b>Total equity</b>			
		<b>50,923</b>	42,579

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

FOR THE SIX MONTHS ENDED 30 JUNE 2024

	Share capital HK\$'000	Share options reserve HK\$'000	Exchange reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
At 1 January 2023 (Audited)	3,201,626	1,596	4,439	(3,188,216)	19,445
Loss for the period	–	–	–	(6,186)	(6,186)
Other comprehensive loss for the period	–	–	(926)	–	(926)
Total comprehensive loss for the period	–	–	(926)	(6,186)	(7,112)
Forfeit of share options	–	(28)	–	28	–
Rights issue of shares	31,400	–	–	–	31,400
Transaction costs attributable to rights issues of shares	(2,152)	–	3	–	(2,149)
At 30 June 2023 (Unaudited)	3,230,874	1,568	3,516	(3,194,374)	41,584
At 1 January 2024 (Audited)	<b>3,237,959</b>	<b>1,568</b>	<b>3,807</b>	<b>(3,200,755)</b>	<b>42,579</b>
Loss for the period	–	–	–	<b>(8,908)</b>	<b>(8,908)</b>
Other comprehensive loss for the period	–	–	<b>(445)</b>	–	<b>(445)</b>
Total comprehensive loss for the period	–	–	<b>(445)</b>	<b>(8,908)</b>	<b>(9,353)</b>
Rights issue of shares	<b>19,780</b>	–	–	–	<b>19,780</b>
Transaction costs attributable to rights issues of shares	<b>(2,083)</b>	–	–	–	<b>(2,083)</b>
At 30 June 2024 (Unaudited)	<b>3,255,656</b>	<b>1,568</b>	<b>3,362</b>	<b>(3,209,663)</b>	<b>50,923</b>

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

FOR THE SIX MONTHS ENDED 30 JUNE 2024

	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Net cash used in operating activities</b>	<b>(17,219)</b>	(11,749)
<b>Net cash generated from investing activities</b>	<b>19</b>	5,063
<b>Net cash generated from financing activities</b>	<b>17,415</b>	6,539
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>215</b>	(147)
<b>Cash and cash equivalents at the beginning of the period</b>	<b>37,986</b>	26,985
Effect of foreign exchange rate changes on the balance of cash held in foreign currencies	<b>(141)</b>	(185)
<b>Cash and cash equivalents at the end of the period</b>	<b>38,060</b>	26,653
<b>Analysis of balances of cash and cash equivalents</b>		
Cash and bank balances	<b>38,060</b>	26,653



# 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 financial report 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.





**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS** (continued)

FOR THE SIX MONTHS ENDED 30 JUNE 2024

**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 (" <b>HK Int 5 (Revised)</b> ")
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



**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS** (continued)

FOR THE SIX MONTHS ENDED 30 JUNE 2024

**3. SEGMENT INFORMATION** (continued)

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:

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

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.



**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS** (continued)

FOR THE SIX MONTHS ENDED 30 JUNE 2024

**3. SEGMENT INFORMATION** (continued)**Other Segment Information**

For the six months ended 30 June 2024:

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



**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS** (continued)

FOR THE SIX MONTHS ENDED 30 JUNE 2024

**3. SEGMENT INFORMATION** (continued)**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
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(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 including 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
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
<b>Revenue from contracts with customers</b>		
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

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE SIX MONTHS ENDED 30 JUNE 2024

### 5. OTHER INCOME

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(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	–
	<b>81</b>	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
	<b>427</b>	645



**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)**

FOR THE SIX MONTHS ENDED 30 JUNE 2024

**7. LOSS BEFORE TAXATION**

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

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

**8. TAXATION**

	<b>Six months ended 30 June</b>	
	<b>2024</b>	2023
	<b>HK\$'000</b>	HK\$'000
	<b>(Unaudited)</b>	(Unaudited)
Tax for the period	–	–

The Group is subject to income tax on an entity basis on profit arising in or derived from the jurisdictions which members of the Group are domiciled and operate.

No provision for Hong Kong profits tax has been made as the Group did not have assessable profits in Hong Kong for the six months ended 30 June 2024 (2023: Nil).

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE SIX MONTHS ENDED 30 JUNE 2024

### 9. INTERIM DIVIDEND

The Directors do not recommend the payment of any interim dividends in respect of the six months ended 30 June 2024 (2023: Nil).

### 10. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to owners of the Company is based on the following data:

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
<b>Loss</b>		
Loss for the period attributable to owners of the Company for the purpose of basic and diluted loss per share	<b>(8,908)</b>	(6,186)

	Six months ended 30 June	
	2024	2023
	'000	'000
	(Unaudited)	(Unaudited) (Restated)
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	<b>142,320</b>	92,125

Note: For the six months ended 30 June 2024 and 2023, the computation of diluted loss per share did not assume the exercise of the Company's share options as the exercise price of these options was higher than the average market price of shares for both periods.

### 11. LOAN AND INTEREST RECEIVABLES

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

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)**

FOR THE SIX MONTHS ENDED 30 JUNE 2024

**11. LOAN AND INTEREST RECEIVABLES (continued)**

Analysed for reporting purposes as:

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

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

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

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

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





**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS** (continued)

FOR THE SIX MONTHS ENDED 30 JUNE 2024

**12. FINANCE LEASE RECEIVABLES**

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

**Leasing arrangements**

Certain of the Group's energy saving equipment are leased out under finance leases. All leases are denominated in RMB. The term of finance lease entered into is 5-14 years (31 December 2023: range from 5-14 years).

**Amounts receivable under finance leases**

	<b>Minimum lease payments</b>		<b>Present value of minimum lease payments</b>	
	<b>30 June 2024 HK\$'000 (Unaudited)</b>	31 December 2023 HK\$'000 (Audited)	<b>30 June 2024 HK\$'000 (Unaudited)</b>	31 December 2023 HK\$'000 (Audited)
Not later than one year	<b>30,952</b>	28,712	<b>27,584</b>	28,229
Later than one year and not later than five years	<b>12,492</b>	13,043	<b>9,406</b>	8,637
Later than five years	–	12,337	–	2,921
	<b>43,444</b>	54,092	<b>36,990</b>	39,787
Less: Unearned finance income	<b>(6,454)</b>	(14,305)	–	–
Present value of minimum lease payments receivable	<b>36,990</b>	39,787	<b>36,990</b>	39,787
Less: Allowance for expected credit loss	<b>(27,165)</b>	(28,794)	<b>(27,165)</b>	(28,794)
	<b>9,825</b>	10,993	<b>9,825</b>	10,993



**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS** (continued)

FOR THE SIX MONTHS ENDED 30 JUNE 2024

**12. FINANCE LEASE RECEIVABLES** (continued)**Amounts receivable under finance leases** (continued)

Analysed for reporting purposes as:

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

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

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE SIX MONTHS ENDED 30 JUNE 2024

### 13. TRADE RECEIVABLES (continued)

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

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



**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)**

FOR THE SIX MONTHS ENDED 30 JUNE 2024

**14. CONTRACT ASSET**

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

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 assets during the six months ended 30 June 2024 (2023: HK\$55,000).

**15. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES**

	<b>30 June 2024 HK\$'000 (Unaudited)</b>	31 December 2023 HK\$'000 (Audited)
Prepayments	<b>3,599</b>	2,436
Other receivables	<b>14</b>	19
Refundable rental deposits and other deposits	<b>1,324</b>	340
	<b>4,937</b>	2,795
Less: accumulated impairment allowance on other receivables	<b>–</b>	–
	<b>4,937</b>	2,795

No allowance for expected credit loss has been recognised for prepayments, deposits and other receivables during the six months ended 30 June 2024 and 2023.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE SIX MONTHS ENDED 30 JUNE 2024

### 16. TRADE AND OTHER PAYABLES

	<b>30 June 2024 HK\$'000 (Unaudited)</b>	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
	<b>6,261</b>	2,562

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

	<b>30 June 2024 HK\$'000 (Unaudited)</b>	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
	<b>4,647</b>	891

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



**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)**

FOR THE SIX MONTHS ENDED 30 JUNE 2024

**17. 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	<b>1,130,284</b>	627,997	<b>3,237,959</b>	3,201,626
2023 Rights Issue of shares (Note (a))	–	313,999	–	29,248
2023 Placing of shares (Note (b))	–	188,288	–	7,085
Share consolidation (Note (c))	<b>(1,017,255)</b>	–	–	–
2024 Rights Issue of shares (Note (d))	<b>56,514</b>	–	<b>17,697</b>	–
At the end of the period/year	<b>169,543</b>	1,130,284	<b>3,255,656</b>	3,237,959

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. Closing price per Old Share as at 16 January 2023 was HK\$0.141. 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. Closing price per Old Share as at 12 July 2023 was HK\$0.043. 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. Closing price per share as at 28 March 2024 was HK\$0.355. 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.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE SIX MONTHS ENDED 30 JUNE 2024

### 18. MATERIAL RELATED PARTIES TRANSACTIONS

Save as disclosed elsewhere in the consolidated financial statements, the Group had the following transactions with related parties during the period.

#### Compensation of key management personnel

The key management of the Group comprises all Directors. The remuneration of Directors is determined by the Remuneration Committee having regard to the performance of individuals and market trends.

None of the above related party transactions falls under the definition of connected transaction or continuing connected transaction as defined in Chapter 14A of the Listing Rules.



# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEW

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.





## MANAGEMENT DISCUSSION AND ANALYSIS (continued)

### 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 strategic 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).



## MANAGEMENT DISCUSSION AND ANALYSIS (continued)

### 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 were 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 report, there were no material acquisitions or disposals of subsidiaries or investments during the six months ended 30 June 2024.



## MANAGEMENT DISCUSSION AND ANALYSIS (continued)

### 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 placees 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
	HK\$'000	HK\$'000	HK\$'000
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.



**MANAGEMENT DISCUSSION AND ANALYSIS** (continued)**USE OF PROCEEDS** (continued)**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:

	<b>Allocation of net proceeds</b>	<b>Amount utilised up to 30 June 2024</b>	<b>Balance as at 30 June 2024</b>
	HK\$'000	HK\$'000	HK\$'000
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
	17,400	(10,400)	7,000

It is expected that the balance of net proceeds of approximately HK\$3,200,000 and HK\$3,800,000 as intended for existing and new energy saving projects and general working capital of the Group will be utilised by the end of December 2024.

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).

## DISCLOSURE OF ADDITIONAL INFORMATION

### DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ASSOCIATED CORPORATION

As at 30 June 2024, the interests or short positions of the Directors and chief executives in the shares, underlying shares or debentures of the Company or its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO") which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provision of the SFO) or were required to be recorded in the register of interests required to be kept under Section 352 of the SFO or were otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") were as follows:

#### (i) Long positions in ordinary shares of the Company

Name of Director	Capacity	Number of shares held	Approximate percentage of number of shares in issue <sup>(2)</sup>
Mr. Cheng Lut Tim	Interest of controlled corporation	3,800,000 <sup>(1)</sup>	2.24%

Notes:

- (1) 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 3,800,000 shares held by Excellent Winning Investment Limited under the SFO.
- (2) As at 30 June 2024, the Company's number of issued Share was 169,542,544.

#### (ii) Long positions in share options of the Company

Name of Director	Number of share options beneficially owned
Mr. Chong Kok Leong	145,352
Mr. Zhuang Miao Zhong	58,141

\* Details of the Share Option Scheme are set out in the section headed "Share Option Scheme".

Save as disclosed above, as at 30 June 2024, none of the Directors or chief executives of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required to be recorded in the register of interests required to be kept under Section 352 of the SFO or were otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

## DISCLOSURE OF ADDITIONAL INFORMATION (continued)

### SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS WITH INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES

As at 30 June 2024, so far as is known to the Directors, other than Directors and the chief executive of the Company, no other party held interests or short positions (directly or indirectly) in the Shares or underlying Shares were recorded in the register kept by the Company pursuant to Section 336 of the SFO.

### SHARE OPTION SCHEME

The Company terminated its old share option scheme and adopted a new share option scheme by the Shareholders on 2 June 2023 (the "**Share Option Scheme**") which shall be valid and effective for a period of ten years from the date of adoption. Accordingly, the Share Option Scheme will be expired on 1 June 2033.

The purpose of the Share Option Scheme is to enable the Company to grant options to selected participants as incentives or rewards for their contribution to the Group and/or to enable the Group to recruit and retain high calibre employees and attract human resources that are valuable to the Group and any invested entity. Participants include any employee (whether full time or part time), any executive Director and any non-executive Director (including independent non-executive Director), or any of its subsidiaries or invested entity in which any member of the Group holds any equity interest, any shareholder of any member of the Group or any invested entity or any holder of any securities issued or proposed to be issued by any member of the Group or any invested entity and any other person (such as consultant, adviser, business partner or service provider of any member of the Group) whom the Board considers, in its sole discretion, has contributed or will contribute to the Group.

Under the Share Option Scheme, where any further grant of options to an eligible participant, if exercised in full, would result in the total number of shares already issued or to be issued upon exercise of all options granted and to be granted to such eligible participant (including exercised, cancelled and outstanding options) in any 12-month period up to and including the date of such further grant exceeding 1% of the total number of shares in issue (the "**Individual Limit**"), such further grant must be separately approved by the Shareholders in general meeting. Save for the foregoing, no eligible participant shall be granted an option if exercised in full, would exceed the Individual Limit. In addition, where any grant of options to a substantial shareholder or an independent non-executive Director, or any of their respective associates, would result in the shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the share, such offer and acceptance thereof must be conditional upon approval by the Shareholders in a general meeting with such person, his associates and all core connected persons of the Company abstaining from voting in favour of the relevant resolution.

A consideration of HK\$1 is payable on acceptance of the grant of an option. An option may be accepted by a participant within 28 days from the date of the offer of grant of the option. An option may be exercised in whole or in part by the grantee within the option period as determined and notified by the Board to the grantee.

The subscription price for the shares under the Share Option Scheme will be a price determined by the Board in its absolute discretion but shall not be lower than the highest of (i) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of grant, which must be a business day; (ii) the average closing price of the shares as stated in the Stock Exchange's daily quotations sheets for the 5 trading days immediately preceding the date of grant; and (iii) the nominal value of the shares.



**DISCLOSURE OF ADDITIONAL INFORMATION** (continued)**SHARE OPTION SCHEME** (continued)

Notwithstanding the foregoing, the maximum number of shares to be issued upon the exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme of the Group must not in aggregate exceed 30% of the issued shares of the Company from time to time.

The maximum number of shares which may be allotted and issued upon the exercise of all share options shall not in aggregate exceed 10% of the shares in issue as at the date of approval of the refreshed limit by the Shareholders (the "**Scheme Mandate Limit**"), and the existing Scheme Mandate Limit was refreshed and approved by the Shareholders in the AGM on 2 June 2023.

On 19 June 2020, a total of 116,203,500 options had been granted at an exercise price of HK\$0.066 per Share under the scheme mandate limit of the previous share option scheme.

In respect to the share options granted on 19 June 2020, the closing price of the shares immediately before the date of grant on which the options were granted was HK\$0.055 per share. The estimated fair value of the share options granted was measured based on Binomial Option Pricing Model, further details of which were given in note 33 to the financial statements of the 2020 Annual Report. The aggregate value of share options granted to each class of grantees was approximately HK\$2,900,000, comprising HK\$518,000 to Directors and HK\$2,382,000 to employees. During the year ended 31 December 2020, the Group recognised equity-settled share-based payment of approximately HK\$2,900,000 in relation to the share options granted by the Company. The details of the estimated fair value of the share options granted is set out below:

Grantees	Position	Number of share option granted	Estimated fair value of share option granted HK\$'000
Chong Kok Leong	Executive Director	12,678,600	340
Zhuang Miao Zhong	Executive Director	5,071,400	136
Choy Hiu Fai, Eric	Independent Non-executive Director	507,200	14
Huang Lizhi	Independent Non-executive Director	507,200	14
Ng Kay Kwok	Independent Non-executive Director	507,200	14
Employees		96,931,900	2,382
<b>Total</b>		<b>116,203,500</b>	<b>2,900</b>





## DISCLOSURE OF ADDITIONAL INFORMATION (continued)

### SHARE OPTION SCHEME (continued)

The exercise prices and the total number of share options were adjusted subsequently as follows:

The Company had completed share consolidation on 26 August 2020. Adjustments were made to the exercise prices and the number of consolidated shares falling to be issued in respect of the outstanding share options in accordance with the terms and conditions of the share option scheme, Rule 17.03(13) of the Listing Rules and the supplementary guidance dated 5 September 2005 issued by the Stock Exchange. As a result of the share consolidation, the exercise price of share options outstanding was adjusted to HK\$0.66 per consolidated shares and the total number of share options outstanding was adjusted to 11,620,350 consolidated shares.

The Company had completed rights issue on 14 December 2020. Adjustments were made to the exercise prices and the number of Shares falling to be issued in respect of the outstanding share options in accordance with the terms and conditions of the share option scheme, Rule 17.03(13) of the Listing Rules and the supplementary guidance dated 5 September 2005 issued by the Stock Exchange. As a result of the completion of rights issue, the exercise price of share options outstanding was adjusted to HK\$0.656 per Share and the total number of share options outstanding was adjusted to 11,683,849 Shares with effect from 14 December 2020.

The Company had also completed Rights Issue on 16 January 2023. Adjustments were made to the exercise prices and the number of Shares falling to be issued in respect of the outstanding share options in accordance with the terms and conditions of the share option scheme, Rule 17.03(13) of the Listing Rules and the supplementary guidance dated 5 September 2005 issued by the Stock Exchange. As a result of the completion of Rights Issue, the exercise price of share options outstanding was adjusted to HK\$0.57 per Share and the total number of share options outstanding was adjusted to 7,254,877 Shares with effect from 16 January 2023.

The Company had completed share consolidation on 8 February 2024. Adjustments were made to the exercise prices and the number of consolidated shares falling to be issued in respect of the outstanding share options in accordance with the terms and conditions of the share option scheme, Rule 17.03(13) of the Listing Rules and the supplementary guidance dated 5 September 2005 issued by the Stock Exchange. As a result of the share consolidation, the exercise price of share options outstanding was adjusted to HK\$5.7 per consolidated shares and the total number of share options outstanding was adjusted to 719,614 consolidated shares.

The Company had completed rights issue on 28 March 2024. Adjustments were made to the exercise prices and the number of Shares falling to be issued in respect of the outstanding share options in accordance with the terms and conditions of the share option scheme, Rule 17.03(13) of the Listing Rules and the supplementary guidance dated 5 September 2005 issued by the Stock Exchange. As a result of the completion of rights issue, the exercise price of share options outstanding was adjusted to HK\$5.76 per Share and the total number of share options outstanding was adjusted to 712,418 Shares with effect from 28 March 2024.

As at 30 June 2024, the total number of shares which may fall to be allotted and issued pursuant to the exercise of share options that may be granted under the refreshed Scheme Mandate Limit together with all outstanding share options granted and yet to be exercised, being a total of 9,319,941 shares, representing 5.50% of the issued share capital of the Company.





## DISCLOSURE OF ADDITIONAL INFORMATION (continued)

### SHARE OPTION SCHEME (continued)

Details of the share options movements during the Period under the Share Option Scheme are as follows:

Name of category	Date of grant of share options	Outstanding as at 01.01.2024	Granted during the period	Exercised during the period	Number of share options				Outstanding as at 30.06.2024	Validity period of share options	Exercise price
					Adjustment for share consolidation (Note 4)	Adjustment for completion of 2024 Rights Issue (Note 5)	Lapsed during the period	Cancelled during the period			
<b>Directors</b>											
Mr. Chong Kok Leong	19.06.2020	1,468,205	-	-	(1,321,385)	(1,468)	-	-	145,352	01.01.2021 to 31.12.2025	HK\$5.76
Mr. Zhuang Miaozhong	19.06.2020	587,277	-	-	(528,549)	(587)	-	-	58,141	01.01.2021 to 31.12.2025	HK\$5.76
Subtotal		2,055,482	-	-	(1,849,934)	(2,055)	-	-	203,493		
<b>Employees</b>											
	19.06.2020	5,140,661	-	-	(4,626,595)	(5,141)	-	-	508,925	01.01.2021 to 31.12.2025	HK\$5.76
Total		7,196,143	-	-	(6,476,529)	(7,196)	-	-	712,418		

Notes:

- Reference is made to the Company's announcement dated 24 August 2020. On 26 August 2020, the exercise price and number of share options have been adjusted from HK\$0.066 to HK\$0.66, and from 116,203,500 options to 11,620,350 options, respectively, as a result of the share consolidation.
- Reference is made to the Company's announcement dated 11 December 2020. On 14 December 2020, the exercise price and number of share options have been adjusted from HK\$0.66 to HK\$0.656, and from 11,620,350 options to 11,683,849 options, respectively, as a result of the completion of rights issue.
- Reference is made to the Company's announcement dated 13 January 2023. On 16 January 2023, the exercise price and number of share options have been adjusted from HK\$0.656 to HK\$0.57, and from 6,299,145 options to 7,245,877 options, respectively, as a result of the completion of rights issue.
- Reference is made to the Company's announcement dated 6 February 2024. On 8 February 2024, the exercise price and number of share options have been adjusted from HK\$0.57 to HK\$5.7, and from 7,196,143 options to 719,614 options, respectively, as a result of the share consolidation. Details are set out in note 17.
- Reference is made to the Company's announcement dated 27 March 2024. On 28 March 2024, the exercise price and number of share options have been adjusted from HK\$5.7 to HK\$5.76, and from 719,614 options to 712,418 options, respectively, as a result of the completion of 2024 Rights Issue. Details are set out in note 17.

## DISCLOSURE OF ADDITIONAL INFORMATION (continued)

### 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 report, 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 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.



## DISCLOSURE OF ADDITIONAL INFORMATION (continued)

### 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.

For and on behalf of the Board

**Mok Tsan San**

*Executive Director*

Hong Kong, 27 August 2024

