CHAMPION TECHNOLOGY HOLDINGS LIMITED
冠 軍 科 技 集 團 有 限 公 司

(Continued in Bermuda with limited liability)

(Stock Code: 92)

ANNOUNCEMENT OF THE FINAL RESULTS FOR THE YEAR ENDED 30 JUNE 2024

FINAL RESULTS

The board (the "**Board**") of directors (the "**Directors**") of Champion Technology Holdings Limited (the "**Company**"), together with its subsidiaries, collectively, (the "**Group**") announces the consolidated results of the Group for the year ended 30 June 2024 with comparative figures for the previous year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2024

		2024	2023
	Notes	***HK$'000***	*HK$'000*
Revenue	*3*	**208,612**	25,292
Cost of sales		**(197,212)**	(21,242)
Gross profit		**11,400**	4,050
Other income, gains and losses		**2,246**	3,176
General and administrative expenses		**(22,692)**	(19,418)
Impairment losses recognised for inventories		**—**	(6,488)
Impairment losses on finance lease receivable		**—**	(234)
Written off of property, plant and equipment		**(450)**	—
Impairment losses on right-of-use assets		**(1,890)**	—
Impairment losses recognised for trade and other receivables		**(10,410)**	(684)
Impairment losses on loan receivables		**(58)**	(121)
Gain on disposal of a subsidiary	*4*	**32,136**	—

	Notes	**2024**	2023
		HK$'000	*HK$'000*
Fair value (loss)/gain on financial assets at fair value through profit or loss		**(19,453)**	10,738
Loss on disposal of financial assets at fair value through profit or loss		**(32)**	(1,386)
Fair value loss on investment properties		**(3,533)**	(1,136)
Finance costs		**(40)**	(172)
Loss before taxation		**(12,776)**	(11,675)
Income tax credit/(expense)	*5*	**554**	(597)
Loss for the year from continuing operations		**(12,222)**	(12,272)
Discontinued operations			
Profit for the year from discontinued operations		**—**	548
Loss for the year		**(12,222)**	(11,724)
Other comprehensive expense:			
Items that may be reclassified subsequently to profit or loss:			
Exchange difference arising on translation of foreign operations		**(692)**	(9,344)
Reclassification adjustment on translation reserve released on disposal of a subsidiary		**(1,814)**	(69)
Other comprehensive expense for the year		**(2,506)**	(9,413)
Total comprehensive expense for the year		**(14,728)**	(21,137)

	Notes	2024 HK$'000	2023 HK$'000
Loss for the year attributable to the owners of the Company:			
— from continuing operations		**(12,420)**	(12,745)
— from discontinued operations		**—**	562
		(12,420)	(12,183)
Profit for the year attributable to non-controlling interests:			
— from continuing operations		**198**	473
— from discontinued operations		**—**	(14)
		198	459
Total comprehensive (expense)/income for the year attributable to:			
Owners of the Company		**(14,758)**	(19,603)
Non-controlling interests		**30**	(1,534)
		(14,728)	(21,137)
Total comprehensive (expense)/income for the year attributable to owners of the Company:			
— from continuing operations		**(14,758)**	(20,165)
— from discontinued operations		**—**	562
		(14,758)	(19,603)
			(Restated)
(Loss)/earnings per share			
Basic and diluted — from continuing and discontinued operations	7	**HK(1.82) cents**	HK(1.78) cents
Basic and diluted — from continuing operations		**HK(1.82) cents**	HK(1.86) cents
Basic and diluted — from discontinued operations		**N/A**	HK0.08 cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2024

	Notes	2024 HK$'000	2023 HK$'000
Non-current assets			
Property, plant and equipment		**7,045**	4,515
Right-of-use assets		**—**	—
Investment properties		**34,262**	37,959
Interest in an associate		**2**	2
Prepayment for property, plant and equipment	*9*	**1,074**	—
		42,383	42,476
Current assets			
Inventories	*8*	**7,407**	7,335
Trade and other receivables	*9*	**180,671**	40,765
Loan receivables	*10*	**6,624**	2,474
Financial assets at fair value through profit or loss		**10,421**	34,223
Tax recoverable		**184**	—
Cash and cash equivalents		**14,699**	9,147
		220,006	93,944
Assets classified as held for sale		**—**	37,610
		220,006	131,554
Current liabilities			
Trade and other payables	*11*	**151,245**	23,875
Contract liabilities		**847**	717
Lease liabilities		**969**	840
Customers deposits		**3,895**	3,895
Amount due to a director		**—**	2,000
Tax payables		**864**	1,257
		157,820	32,584
Liabilities directly associated with assets classified as held for sale		**—**	4,899
		157,820	37,483

	2024	2023
	HK$'000	*HK$'000*
Net current assets	**62,186**	94,071
Total assets less current liabilities	**104,569**	136,547
Non-current liabilities		
Lease liabilities	**925**	—
Deferred tax liabilities	**7,175**	8,049
	8,100	8,049
Net assets	**96,469**	128,498
Capital and reserves		
Share capital	**6,838**	27,353
Reserves	**89,656**	83,899
Equity attributable to owners of the Company	**96,494**	111,252
Non-controlling interests	**(25)**	17,246
Total equity	**96,469**	128,498

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

1. BASIS OF PREPARATION

The consolidated financial statements have been prepared on the historical cost basis except for investment properties and financial assets at fair value through profit or loss that are measured at fair value and in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") (which include all the HKFRSs, Hong Kong Accounting Standards ("**HKASs**") and interpretations) issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") and accounting principles generally accepted in Hong Kong. Historical cost is generally based on the fair value of the consideration given in exchange for goods. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Hong Kong Companies Ordinance.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

In the current year, the Company and its subsidiaries (collectively, the "**Group**") has applied the following new and amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") for the first time, which are mandatorily effective for the annual periods beginning on or after 1 July 2023 for the preparation of the consolidated financial statements:

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform — Pillar Two model Rules
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies

The application of the new and amendments to HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback[2]
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)[2]
Amendments to HKAS 1	Non-current Liabilities with Covenants[2]
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements[2]
Amendments to HKAS 21	Lack of Exchangeability[3]
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards Volume 11[4]
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments[4]
HKFRS 18	Presentation and Disclosure in Financial Statements[5]

[1] Effective for annual periods beginning on or after a date to be determined.
[2] Effective for annual periods beginning on or after 1 January 2024.
[3] Effective for annual periods beginning on or after 1 January 2025.
[4] Effective for annual periods beginning on or after 1 January 2026.
[5] Effective for annual periods beginning on or after 1 January 2027.

The directors of the Company anticipate that the application of the new and amendments to HKFRSs will have no material impact on the amounts reported and disclosures made in the Group's consolidated financial statements in the foreseeable future.

3. REVENUE AND SEGMENT INFORMATION

(a) Revenue

Revenue represents the amounts received and receivable for goods sold and services provided by the Group to external customers.

The revenue of the Group comprises the following:

	2024	2023
	HK$'000	*HK$'000*
Revenue from contracts with customers within the scope of HKFRS 15 *Revenue from Contracts with Customers*		
Technology — Smart City Solution	**179,878**	12,181
Technology — Design and sales of renewable energy products and solutions	**28,734**	13,111
	208,612	25,292

(b) Segment information

The operating segments have been identified on the basis of internal management reports prepared in accordance with accounting policies conforming to HKFRSs, which are regularly reviewed by the directors of the Company, being the chief operating decision maker, for the purpose of allocating resources to segments and assessing their performance. For the year ended 30 June 2023, the Group ceased its sales and leasing of charging business products operations ("**Charging Businesses**") upon the disposal of the shareholding in Beijing Mingxin Zhilian Technology Co., Ltd.* (北京明信智聯技術有限公司) ("**Beijing Mingxin**"). The Charging Businesses were not included in any segments of the Group since Beijing Mingxin became the subsidiary of the Company in January 2023 and was disposed of in June 2023.

In a manner consistent with the way in which information is reported internally to the chief operating decision maker, the Group has presented the following five (2023: five) operating and reportable segments under HKFRS 8 Operating Segments.

- Sales of cultural products — includes income from trading of cultural products
- Technology: Smart City Solution Business — includes income from sale of business solution including software and hardware for construction site and related businesses
- Technology: Renewable energy — includes income from design and sales of renewable energy products and solutions
- Trading of gasoil and related business — includes income from sales of gasoil and income from vessel charter (shipping business)
- Strategic investments — includes income from financial assets at fair value through profit or loss

Segment results represent the profit or loss before taxation recognised by each reportable segment, excluding interest income, gain or loss on disposal of subsidiaries, fair value gain or loss on investment properties, finance costs, unallocated income and expenses such as certain administration costs etc. This is the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

Information regarding the above segments is reported below:

	Sales of cultural products HK$'000	Technology: Smart City Solution HK$'000	Technology: Renewable energy HK$'000	Strategic investments HK$'000	Trading of gasoil and related business: Trading of gasoil and others HK$'000	Trading of gasoil and related business: Shipping business HK$'000	Consolidated HK$'000
Year ended 30 June 2024							
REVENUE							
External and total revenue							
Recognised at a point in time	—	—	28,065	—	—	—	28,065
Recognised over time	—	179,878	669	—	—	—	180,547
	—	179,878	28,734	—	—	—	208,612
RESULTS							
Segment result	(116)	(2,667)	1,363	(36,578)	261	(10)	(37,747)
Interest income							755
Gain on disposal of a subsidiary							32,136
Fair value loss on investment properties							(3,533)
Finance costs							(40)
Unallocated expenses, net							(4,347)
Loss before taxation from continuing operations							(12,776)

	Sales of cultural products	Technology: Smart City Solution	Technology: Renewable energy	Strategic investments	Trading of gasoil and related business: Trading of gasoil and others	Trading of gasoil and related business: Shipping business	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Year ended 30 June 2023							
REVENUE							
External and total revenue							
Recognised at a point in time	—	12,181	12,308	—	—	—	24,489
Recognised over time	—	—	803	—	—	—	803
	—	12,181	13,111	—	—	—	25,292
RESULTS							
Segment result	(6,838)	1,759	905	(4,291)	(10)	(7)	(8,482)
Interest income							2,699
Fair value loss on investment properties							(1,136)
Finance costs							(172)
Unallocated expenses, net							(4,584)
Loss before taxation from continuing operations							(11,675)

Information regarding the above segments is reported below:

	Sales of cultural products	Technology: Smart City Solution	Technology: Renewable energy	Strategic investments	Trading of gasoil and related business: Trading of gasoil and others	Trading of gasoil and related business: Shipping business	Unallocated	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Year ended 30 June 2024								
Amounts included in the measure of segment profit or loss:								
Depreciation of property, plant and equipment	**—**	**3**	**114**	**—**	**—**	**—**	**15**	**132**
Depreciation of right-of-use assets	**—**	**—**	**—**	**82**	**—**	**—**	**—**	**82**
Fair value loss on financial assets at fair value through profit or loss	**—**	**—**	**—**	**19,453**	**—**	**—**	**—**	**19,453**
Loss on disposal of financial assets	**—**	**—**	**—**	**32**	**—**	**—**	**—**	**32**
Written off of property, plant and equipment	**—**	**—**	**450**	**—**	**—**	**—**	**—**	**450**
Impairment losses recognised/(reversed) for trade and other receivables	**—**	**10,627**	**56**	**—**	**(273)**	**—**	**—**	**10,410**
Impairment losses on loan receivables	**—**	**15**	**—**	**—**	**—**	**—**	**43**	**58**
Impairment loss on right-of-use assets	**—**	**—**	**—**	**1,890**	**—**	**—**	**—**	**1,890**

	Sales of cultural products	Technology: Smart City Solution	Technology: Renewable energy	Strategic investments	Trading of gasoil and related business: Trading of gasoil and others	Trading of gasoil and related business: Shipping business	Unallocated	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Year ended 30 June 2023								
Amounts included in the measure of segment profit or loss:								
Depreciation of property, plant and equipment	7	4	39	—	—	—	20	70
Depreciation of right-of-use assets	—	—	—	168	—	—	—	168
Fair value gain on financial assets at fair value through profit or loss	—	—	—	(10,738)	—	—	—	(10,738)
Loss on disposal of financial assets	—	—	—	1,386	—	—	—	1,386
Impairment losses on finance lease receivable	—	—	—	—	—	—	234	234
Impairment losses recognised for trade and other receivables	—	606	—	—	70	—	8	684
Impairment losses on loan receivables	—	121	—	—	—	—	—	121
Impairment loss on inventories	6,488	—	—	—	—	—	—	6,488

No information about segment assets and liabilities is presented as such information is not regularly provided to the chief operating decision maker for resource allocation and performance assessment purposes.

4. GAIN ON DISPOSAL OF A SUBSIDIARY

Year ended 30 June 2024

On 2 May 2023, the Group entered into a sale and purchase agreement to sell all of the equity interest of Honest City Enterprises Limited ("**the Disposal Group**") to an independent third party at the consideration of HK$45.9 million in order to streamline the Group's resources. The transaction was completed on 30 October 2023.

Consideration received:

	HK$'000
Cash consideration received	45,900

Analysis of assets and liabilities over which control was lost upon disposal of business:

	HK$'000
Investment property	4,498
Finance lease receivables	30,848
Trade and other receivables	2,405
Cash and cash equivalents	3
Trade and other payables	(2,841)
Tax payables	(2,034)
Net assets disposed of	32,879

Gain on disposal of a subsidiary

	HK$'000
Consideration received	45,900
Net assets of the subsidiary	(32,879)
Cumulative exchange difference in respect of the net assets of the subsidiary released on loss of control	1,814
Net assets attributable to non-controlling interest of the subsidiary	17,301
Gain on disposal of a subsidiary	32,136

Net cash inflow arising on disposal

	HK$'000
Consideration received in cash and cash equivalents	45,900
Less: cash and cash equivalents disposed of	(3)
Net cash inflows arising on disposal of a subsidiary	45,897

5. INCOME TAX

	2024	2023
	HK$'000	*HK$'000*
Current tax:		
— PRC enterprise income tax	**1,397**	940
— Hong Kong profits tax	**—**	—
	1,397	940
Under/(over) provision in prior years:		
— Hong Kong profits tax	**(224)**	13
— PRC enterprise income tax	**(886)**	—
	(1,110)	13
Deferred tax:		
— Credited for the year	**(841)**	(356)
Income tax (credit)/expense	**(554)**	597

Under the Law of the PRC on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years. For income generated in the PRC earned by subsidiaries incorporated outside the PRC is subject to withholding tax at 10% (2023: 10%).

No provision for Hong Kong Profit Tax has been made as the current year's taxable profit has been set-off by previous year's loss (2023: 16.5%).

6. DIVIDENDS

No dividend was paid or proposed during the year ended 30 June 2024 nor has any dividend been proposed since the end of reporting period (2023: Nil).

7. (LOSS)/EARNINGS PER SHARE

The calculation of basic (loss)/earnings per share attributable to owners of the Company is based on the following data:

	2024	2023
	HK$'000	*HK$'000*
For continuing operations:		
Loss for the year attributable to owners of the Company	**(12,420)**	(12,745)
For discontinued operations:		
Profit for the year attributable to owners of the Company	**—**	562
Total	**(12,420)**	(12,183)
Number of ordinary shares	***'000***	*'000*
		(Restated)
Weighted average number of ordinary shares for the purpose of basic (loss)/earnings per share	**683,831**	683,831

The weighted average number of ordinary shares used to calculate the basic (loss)/earnings per share for both years have been adjusted to reflect the share consolidation during the year ended 30 June 2024.

Diluted (loss)/earnings per share for the years ended 30 June 2024 and 2023 were the same as the basic (loss)/earnings per share as there were no potential ordinary shares outstanding during both years.

8. INVENTORIES

	2024	2023
	HK$'000	*HK$'000*
Raw materials	**3,113**	3,671
Work in progress	**720**	223
Finished goods	**3,574**	3,441
	7,407	7,335

9. TRADE AND OTHER RECEIVABLES

	2024	2023
	HK$'000	*HK$'000*
Trade receivables *(note)*	**150,366**	8,369
Less: provision for impairment losses	**(7,529)**	(346)
	142,837	8,023
Other receivables	**45,584**	36,219
Less: provision for impairment losses	**(6,676)**	(3,477)
	38,908	32,742
	181,745	40,765
Represented as:		
Current portion	**180,671**	40,765
Non-current portion	**1,074**	—
	181,745	40,765

Note:

The Group maintains a well-defined credit policy regarding its trade customers depending on their credit worthiness, nature of services and products, industry practice and condition of the market with credit period ranging from 30 days to 180 days. The Groups credit policy for sales of cultural products is cash on delivery.

The ageing analysis of trade receivables (net of expected credit losses) presented based on the invoice date at the end of the reporting period is as follows:

	2024	2023
	HK$'000	*HK$'000*
0–60 days	**93,427**	6,405
61–90 days	**2**	1,306
91–180 days	**24,969**	—
181–365 days	**19,789**	—
Over 365 days	**4,650**	312
	142,837	8,023

Before accepting any new customer, the Group's finance and sales management team would assess the potential customers credit worthiness and define the credit limit accordingly for the customers. Credit limits attributable to customers are reviewed regularly with reference to past settlement history and where appropriate, information about their current reputation.

10. LOAN RECEIVABLE

	2024 *HK$'000*	2023 *HK$'000*
Loan receivable	**6,798**	2,590
Less: provision for impairment losses	**(174)**	(116)
	6,624	2,474

11. TRADE AND OTHER PAYABLES

	2024 *HK$'000*	2023 *HK$'000*
Trade payables	**86,770**	4,560
Other payables	**64,475**	19,315
	151,245	23,875

The aging analysis of trade payables presented based on the invoice date at the end of the reporting period is as follows:

	2024 *HK$'000*	2023 *HK$'000*
0–60 days	**511**	3,581
61–90 days	**—**	—
91–365 days	**85,195**	—
Over 1 year	**1,064**	979
	86,770	4,560

The credit period for purchases of goods ranged from 30 days to 120 days.

MANAGEMENT DISCUSSION AND ANALYSIS

In recent years, the global economy has encountered significant challenges, including the pandemic, geopolitical conflicts, and a rise in international protectionism, which have similarly affected the Asia-Pacific region. As a result, many domestic companies are experiencing a significant slowdown in capital flow.

To navigate these challenges effectively, our management team strategically focuses on industries such as smart city solution businesses that receive robust government backing. We prioritize partnerships with state-owned enterprises, central enterprises, and those under local government control.

While it is true that these clients may have longer capital turnover periods, their solid foundations and high levels of governmental support greatly reduce the risk of bad debts. This strategic approach not only safeguards our investments but also positions us for sustainable growth in a challenging economic landscape.

However, China's latest quantitative easing (QE) policy is expected to enhance liquidity within the financial system, facilitating easier lending by banks to both businesses and consumers. It is hoped that this QE measure will accelerate the liquidity cycles within the Group's smart city solution business.

FINANCIAL RESULTS

Revenue

Champion Technology Holdings Limited (the "**Company**") and its subsidiaries (collectively, the "**Group**") reported a total revenue for the year under review of approximately HK$209 million as compared with approximately HK$25 million, representing an increase of approximately 736 percent. This was mainly due to the significant increase in revenue generated from smart city solution business during the year.

Loss Attributable to Owners of the Company

Loss for the year under review was approximately HK$12.2 million (2023: HK$12 million). Loss for the year attributable to owners of the Company was approximately HK$12.2 million (2023: approximately HK$12 million). The decrease for the year was mainly due to the combined effect (i) the increase in contribution from the smart city solution business and renewable energy business, (ii) the recognition of fair value loss of financial assets at fair value through profit or loss of approximately HK$19.5 million (2023: gain of approximately HK$11 million); and (iii) no impairment losses recognised for inventories (2023: HK$6.5 million). Gross profit ratio had decreased from 16% to 5.5%, it was mainly due to the lower margin on smart city solution business by its nature. Loss per share for the year under review is HK1.82 cents (2023: HK1.78 cents).

Other Income, Gains and Losses

During the year under review, the Group recognized other gain of approximately HK$2.2 million (2023: approximately HK$3.2 million). The decrease in other income was mainly due to decrease in interest income during the year.

General and Administrative Expenses

General and administrative expenses for the year under review increased by approximately 16.3% percent to approximately HK$23 million (2023: approximately HK$19 million). The increase was attributable to the increase in business volume of the Group. However, the management of the Company has continued to streamline our workforce to cope our new development and our strategy of pursuing a more cost-efficient management of overheads. It is the current management's strategy to adopt a stringent and cost-effective overhead structure so as to enhance the return on investments.

Fair Value (Loss)/Gain on Financial Assets at Fair Value through Profit or Loss

During the year under review, the Group recognised fair value loss on financial assets at fair value through profit or loss of approximately HK$19.5 million as compared with the fair value gain of approximately HK$11 million last year. The detailed information is set out in the "Review of Operations" section below.

Finance Costs

Finance costs for the year remain at a low level of approximately HK$40,000 (2023: HK$172,000). Finance cost mainly arisen from the interest on lease liabilities.

REVIEW OF OPERATIONS

Since its inception, the Group's primary business model has been the delivery of comprehensive solutions through technology packages that integrate relevant hardware and software for customers, referred to as the "Tech Business Model." A defining characteristic of this model is the necessity for continuous innovation, requiring regular introductions of new products to stay in sync with the rapidly evolving technological landscape. Notably, both the Smart City Solutions and Renewable Energy sectors are recognized as key components of this Tech Business Model.

The table below sets out the details of the Tech Business Model of the Smart City Solution Business and Renewable Energy Business:

Business segments	Details of the Tech Business Model
Renewable Energy Business	The Group designs and installs SPV system (the hardware) and energy management system (a byproduct using the IoT technology) (the software) for customers, through which customers can monitor the operation of solar system and the production of energy.
Sales of Smart Construction Solution Business	Revenue from the Sales of Smart Construction Solution Business is generated through the design of hardware stack and development of software by the Group for customers to monitor the on-site construction progress.
Sales of IoT Solution Business	Revenue from the Sales of IoT Solution Business is generated through the design and development of IoT enabling and enabled devices, web and internet interfaces, analytics and customized software solutions by the Group for customers to use in different scenarios such as classrooms, libraries, etc.
IDC Business	The intelligent computing platforms installed by the Group consists of hardware and software to satisfy the computing functions in different scenarios, in data centres.

Technology- Smart City Solution Business

The smart city solution business of the Group mainly consists of the Sales of smart construction solution business, Sales of IoT Solution Business, including Internet Data Centre ("**IDC**") Business which involves the sale & installation of data centre systems, and the business of leasing out internet data center (collectively "**Smart City Solutions Business**").

During the review period, the Group made significant strides in its Smart City Solutions Business, securing several major service contracts and building strong relationships with key customers. The IDC Business focuses on delivering training computing platforms, AI models, and education cloud platforms, along with the necessary infrastructure, to meet the increasing demand for data centers and technological solutions.

The Group has been selecting financially stable customers, primarily government-owned entities, which instills a high level of confidence in their reliability and minimizes the risk of default. We are all aware that payment cycles in China have been slow due to the struggling economy; however, the actual demand and strong support these entities receive from the government further reinforce their stability.

Additionally, our suppliers have been very accommodating by granting us extended credit periods, recognizing that most of our customers are government-owned enterprises with low credit risk, even though these customers also require lengthy credit terms from us.

The Group is dedicated to building long-term relationships with our customers. We have implemented proactive measures to ensure the successful execution of our projects, including timely installation and rigorous testing. These efforts are designed to provide our customers with reliable and efficient solutions tailored to their specific needs.

Moreover, our commitment to cultivating relationships with sizable and reputable clients has been a crucial factor in our success. Our customer base primarily consists of state-owned enterprises and well-established publicly listed companies, reflecting the Group's strong reputation and credibility in the PRC market.

In summary, the Group's Smart City Solutions Business has made significant progress in securing service contracts, forming partnerships, and delivering solutions that address the evolving requirements of our customers. We remain focused on driving growth, expanding our service offerings, and seizing emerging opportunities in the data center and technological services sectors. With a robust project pipeline and a commitment to customer satisfaction, we are confident in our ability to achieve sustainable and profitable growth in this area.

Technology — Renewable Energy Business

Since 2018, the Group has invested significant resources into the research and development of our Solar Photovoltaic (SPV) technology products. It's important to note that the Renewable Energy Business encountered substantial challenges between 2020 and early 2024 due to factors beyond our control. These challenges included delays in obtaining necessary approvals and permits, and difficulties faced by government authorities in conducting onsite inspections. Furthermore, the Hong Kong Government's sudden cut in Feed-in Tariff (FiT) rates dissuaded some customers from proceeding with their orders. It's essential to understand that business resilience across all sectors requires a buffer period for adaptation and recovery.

The scheduled termination of the Feed-in Tariff (FiT) scheme in Hong Kong in December 2033 signifies that the 'internal rate of return' for the Solar Photovoltaic (SPV) renewable energy business has entered a phase of diminishing returns. This situation fails to provide adequate incentives for investors to maintain their investments in this sector in Hong Kong."

The Group's Renewable Energy Business consists of

(i) the sales of SPV system (the "**Sales of SPV Business**");

(ii) the sales of the inverter and energy storage systems and the provision of technical services and support (the "**Inverter-related Business**"); and

(iii) feed-in tariff rates business (the "**FiT Rates Business**"). The Sales of SPV Business and the Inverter-related Business are the core business under the Renewable Energy Business.

During review period, sales of inverters were temporarily halted due to changes in market conditions and geopolitical factors in Europe, where our major customer is located.

On a positive note, the Group successfully commenced sales of its SPV Systems in the second half of the year to Southeast Asia customers as part of our efforts to expand our market presence.

Gasoil Trading Business

Throughout the review period, the Company adopted a cautious wait-and-see approach regarding the potential resumption of its gasoil business. However, management has ultimately decided to fully focus on green energy and will no longer engage in activities related to fossil fuels. This decision stems from an understanding of the harmful impact of fossil fuels on the environment, as well as the rising risks and uncertainties in the oil market due to ongoing wars and conflicts in the Middle East and Eastern Europe.

Cultural Products

As in previous years, the Company maintains a cautious approach to managing its cultural products. We stay informed about market conditions to seize the right opportunities for selling some of the Group's inventory at the best possible prices. Additionally, we showcase our cultural products, which are also works of art, on our Company's website to raise public awareness. These strategies are consistent with our practices from prior years.

Securities Investments

As part of the Group's short-term investment activities, the Group has invested in some Hong Kong listed securities, the details and information of which are as follows:

During the Period, the Group recorded an overall fair value loss on financial assets at fair value through profit or loss of approximately HK$19.5 million which was attributable to pessimistic market sentiment on most of the stocks. On the other hand, the concerns about a deepening global recession and tensions between the United States and China negatively impacted the global markets (2023: fair value gain of approximately HK$11 million). Moreover, the share price of STAR CM dropped by more than 75% due to the recent incident related to the popular Chinese singing competition, "Sing! China" which was met with a temporary suspension by Zhejiang Television following a series of controversies and revelations surrounding unfair practices. The decision came in the wake of multiple audio recordings and video clips that surfaced, exposing the inner workings of the show and sparking a wave of allegations from singers and contestants regarding past injustices and suppression. Zhejiang Television then announced the suspension of the latest season of "Sing! China", stating that they were conducting an investigation into the concerns raised by the audience and online community. The suspension of the program has sent shockwaves throughout the entertainment industry, significantly impacting the stock price of STAR CM Holdings, the production company responsible for "Sing! China". Therefore, our management had sold all the shares of STAR CM during the period under review in order to reduce of the risk of further drop in the share price of STAR CM. The investment in STAR CM Holdings Limited last year recorded a fair value gain of HK$17.4 million, this proves the original decision in this investment was proper, however, the captioned unfortunate incident was totally unpredictable.

As at 30 June 2024, the fair value of the listed equity investments in Hong Kong classified as financial assets at fair value through profit or loss amounted to approximately HK$10.4 million (30 June 2023: approximately HK$34 million). These investment portfolios comprised 8 (30 June 2023: 8 equity securities listed in The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") of which 6 (30 June 2023: 5) equity securities are listed on the Main Board of the Stock Exchange while the remaining 2 (30 June 2023: 3) equity securities are listed on the GEM of the Stock Exchange.

A summary of the Group's financial assets at fair value through profit or loss is given below:

Company Name/Stock Code	Number of shares held by the Group at 30 June 2024	Percentage of the issued share capital of the relevant company at 30 June 2024	Investment cost at 30 June 2024	Accumulated unrealised fair value (loss)/gain	Fair value at 30 June 2024	Percentage of total held-for-trading investment
		%	*HK$*	*HK$*	*HK$*	%
Financial assets at fair value through profit or loss						
Zijing International Financial Holdings Limited (Stock code: 8340)	1,561,000	1.74%	12,724,659	(12,507,680)	216,979	2.08%
China Fortune Financial Group Limited (Stock code: 290)	1,423,400	0.02%	2,334,376	(910,976)	1,423,400	13.66%
Worldgate Global Logistics Ltd (Stock code: 8292)	180,000	0.03%	2,286,000	(2,276,280)	9,720	0.09%
Summit Ascent Holdings Limited (Stock code: 102)	2,500,000	0.06%	2,434,500	(2,317,000)	117,500	1.13%
China Star Entertainment Limited (Stock code: 326)	12,240,000	0.5%	9,885,455	(2,296,655)	7,588,800	72.82%
Differ Group Holdings Co., Ltd (Stock code: 6878)	300,000	0.03%	6,210,000	(6,176,100)	33,900	0.33%
Kantone Holdings Limited (Stock code: 1059)	1,500,000	0.48%	419,400	143,100	562,500	5.40%
China Environment Resources Group Limited (Stock code: 1130)	2,340,000	0.48%	518,156	(50,156)	468,000	4.49%
			36,812,546	(26,391,747)	10,420,799	100.0%

Money Lending Transactions

Money lending services were provided by a wholly-owned subsidiary of the Company, which operates as a money lender, and were also offered incidentally by the Company's subsidiary in the People's Republic of China (PRC). In Hong Kong, money lending occurred on a sporadic basis, contingent upon the availability of funds and referrals from the directors, as the Company did not engage in marketing of these services. The PRC subsidiary has never presented itself to the public as a money lender nor sought out borrowers for loans. Consequently, the Directors do not view money lending as a principal or core business of the Company during this fiscal year.

The lending activities were limited to term loans with fixed interest rates. Each proposed loan was evaluated individually, with no specific industry designated for lending purposes. However, the Company does maintain a money lending checklist that the Directors must adhere to if the need arises.

Loans are only issued from idle funds and are extended solely to individuals or their companies who approach the subsidiary's directors through personal connections. The directors then conduct a credit assessment, and if the results are satisfactory, they submit their recommendations to the Directors in Hong Kong for further evaluation and approval.

The assessment and Know Your Client (KYC) processes adhere to the following procedures:

1. Verify the identities of the directors of the borrowers and guarantors (where appropriate).

2. Confirm the address proof for both the borrowers and guarantors.

3. Obtain a copy of the business registration certificate and the company number, if applicable.

4. Review the memorandum and articles of association for both the borrower and the guarantor, if applicable.

5. Consult with external legal advisors, if necessary.

After collecting and verifying the background information of the prospective borrowers, the director of our Hong Kong money-lending operation or the director from the PRC subsidiary will conduct a loan assessment process. This includes evaluating the creditworthiness and financial standing of the borrowers by reviewing the management accounts, and the personal financial background of the guarantor, where applicable.

Taking into account the borrower's financial condition, the extent and quality of collaterals or guarantees, as well as the loan tenure, the director of the Hong Kong money-lending operation or the relevant PRC subsidiary will propose an interest rate aimed at rationalising profit while ensuring compliance with the interest rate regulations in Hong Kong and the PRC. This is to ensure that we do not impose interest rates exceeding the statutory limits. Normally, the PRC subsidiary will charge no less than double the China Loan Prime Rate (CLPR), while the Hong Kong money lender will add a reasonable premium atop the Hong Kong Prime Rate.

The due diligence report, KYC documentation, and credit assessment documents, along with the loan amount, terms, and repayment method, will be submitted to the Group's directors for approval. Once approval is granted, the final loan agreement will be executed by our PRC director of the subsidiary, along with the borrower and the guarantor.

The directors of the Hong Kong money lender or the relevant PRC subsidiary will maintain personal contact with the borrowers periodically throughout the duration of the loan. They will begin reminding the borrowers about repayment approximately one month before the respective due dates.

The following are our standard procedures for handling delinquent loans:

A demand letter will be sent to the borrower requesting immediate repayment.

Our legal counsel in Hong Kong or the PRC will be instructed to issue a demand letter to both the borrower and the guarantor, demanding immediate repayment.

Formal legal action will be initiated if:

(a) The borrower refuses to repay; or

(b) No settlement arrangement is reached within 14 working days from the date of our legal demand letter.

Ever since the current management permitted the granting of such term loans, there has been no signs that any Loan would become delinquent.

During the year ended 30 June 2024, the Company's subsidiary in the People's Republic of China (PRC) entered into two lending agreements ("**Loan**") with independent third-party companies in the PRC. This is an increase from the previous year, in which there was one lending agreement with a PRC company. The total amount of loans was RMB4 million, compared to RMB2.4 million in 2023. Each loan had a duration of twelve months started from the drawdown date, with an interest rate of 6% per annum (the same rate as in 2023).

In the reporting period, the Company's money lending business in Hong Kong entered into a lending agreement with an individual, who is an independent third party. The loan amount was HK$3 million, with a term of twelve months beginning from the drawdown date. The interest rate for this loan was set at 8% per annum, and it is scheduled for full repayment on 20 June 2025.

Battery Management and Charging Business

On 30 December 2022, the Group had purchased the entire interest of Beijing Mingxin Zhilian Technology Co., Ltd.* (北京明信智聯技術有限公司) ("**Beijing Mingxin**"), and the battery management and charging business of the Group was mainly conducted through it, which utilizes IoT and big data platforms to provide the smart and safe charging solutions for electric bicycles, as well as smart city safe power management and smart fire protection. Its products under the "5U" brand series cover smart and safe charging products such as smart charging cabinets, battery replacement cabinets, charging piles, smart power management platforms, fire-fighting IoT cloud platforms and other intelligent cloud platforms.

However, after several months of collaboration with the marketing team and the operations team of Beijing Mingxin, the Group decided to dispose of the entire equity interest of Beijing Mingxin on 30 June 2023 at a consideration of RMB7.5 million ("**Disposal**") because Beijing Mingxin would potentially put a serious strain on the Company's resources to cater for the lengthy time and substantial investment required to build up a sizeable and sustainable business network for the smart charging cabinets, battery replacement cabinets, charging piles, smart power management platforms, fire-fighting IoT cloud platforms and other intelligent cloud platforms. The management of the Company considered it more beneficial if the Company was to devote the resources required for this segment to other business segments. As such, subsequent to the Disposal, the Group ceased the battery management and charging business and no revenue was generated from such business and no income will be recognised in our financial statement after the completion of the Disposal on 30 June 2023. For details, please referred to our announcement dated 30 December 2022 and 30 June 2023.

Dongguan Hotel Project

On 2 May 2023, the Company entered into an agreement with a purchaser to dispose of the Group's entire interest ("**Sale Shares**") in Honest City Enterprises Limited (廉城企業有限公司) ("**the Disposal Company**") and to assign those loans owing by the Disposal Company to the Company as at Completion on the Completion Date ("**Sale Loan**") to the purchaser, and the purchaser conditionally agreed to purchase the Sale Shares and take up the assignment of the Sale Loan at the consideration of HK$45.9 million ("**Consideration**") ("**Disposal**"). The major asset of the Disposal Company is the 48.45% interest in a parcel of land located at 6 East Huanshi Road, Tangxia Town, Dongguan City, Guangdong Province, the PRC (中華人民共和國廣東省東莞市塘廈鎮環市東路6號) with a total site area of about 25,235.63 square metres and a hotel erected thereon with a total gross floor area of approximately 38,873 square metres, which is owned by the Company's indirect PRC Subsidiary ("**Property**"). The Group intends to use the net proceeds from the Disposal of approximately HK$44,900,000 as general working capital of the Group, and for development of the existing projects of the Group as well as potential business and investment opportunities which may arise from time to time.

On 18 July 2023, as more than 50% of the votes were cast in favor of the resolution for the Disposal (the "**Resolution**"), the Resolution was duly passed by the shareholders of the Company by way of poll at the special general meeting of the Company held on 18 July 2023. The Completion of the Disposal will be any day within 6 months after the 18 July 2023 or on a date mutually agreed upon in advance by the parties in writing.

The Group acquired the indirect interest of the Property in 2017. The Group had been looking for opportunities to re-develop the Property over these years and had maintained minimal investment in refurbishing the Property. Management of the Property had been out-sourced and the Group had been receiving stable but not remarkable returns. As the real estate market in the PRC has been depressed and such situation is likely to persist in the coming few years, the Board considers that the Disposal represents a good opportunity for the Group to realize its investment in the Disposal Group, and improve its liquidity and overall financial position, and reallocate its financial resources for optimizing the operational efficiency and to enhance the return to the Group. For details, please referred to our announcements dated 2 May 2023 and 18 July 2023, and the circular dated 27 June 2023. Such disposal had been completed on 30 October 2023.

OUTLOOK

Energy Prices are relevant to the Group's business in the foreseeable future.

The ongoing conflicts in Ukraine and in the Middle East have significant implications for the world economy, affecting various sectors and markets. The impacts of the Russian-Ukraine war and the Israeli-Palestinian conflict on the global economy are multifaceted. Increased energy costs, food supply disruptions, inflationary pressures, and shifting trade dynamics are all significant consequences that can influence economic stability and growth in various regions worldwide. The interconnected nature of the global economy means that these conflicts can have far-reaching effects beyond their immediate geographic areas.

Ukraine War: Russia is a major energy supplier, especially to Europe. The conflict has led to disruptions in oil and gas supplies, resulting in increased energy prices globally. European countries are particularly vulnerable, leading to higher inflation and increased costs for consumers and businesses.

Israel-Palestine Conflict: While this conflict has less direct impact on global energy prices than the Ukraine war, tensions in the Middle East has led to fluctuations in oil prices due to geopolitical uncertainties.

It is worth noting that the United States exported more liquefied natural gas (LNG) than any other country in 2023.

Similar to 2022, Europe remained the primary destination for U.S. LNG exports in 2023, accounting for 66% of U.S. exports. In 2023, Europe (EU-27 and the UK) continued to import LNG to compensate for the loss of natural gas previously supplied by pipeline from Russia.

China has also increased LNG imports from the United States during the past 20 months.

In light of the growing demand for low price green energy and the negative impact of fluctuating natural gas prices, the Group will prioritize the development of low-cost green energy. This is a resource that the Group can produce efficiently without relying on supplies from any particular country.

A. Green Energy Business

After several months of diligent study, observation, and negotiation, the management of the Group decided in June 2024 to acquire a 51% equity stake in a new energy company (Innovative Ecoglory Technology Company Limited*), committing a total investment of RMB5.14 million as paid-up capital. Our investment assessment was grounded in the proof of concept and specific laboratory results obtained during our evaluations. The Target Company was established in December 2023, with a registered capital of RMB10,800,000.

In August 2024, we successfully secured official validation of our technology from government examination authorities, paving the way for the inaugural trial production of our Oxyhydrogen Gas Machine. The Group's first gas machine was delivered to a customer in Guangzhou, where it commenced production of Oxyhydrogen Gas in the last week of September 2024.

The preliminary data collected over the past week has been promising, indicating the generation of highly efficient energy at a remarkably low cost. Consequently, the management anticipates that this Green Energy Project will generate substantial profits for the Group in the foreseeable future.

While our first customer undergoes trial use of the gas machine, the Group has initiated negotiations with a major potential customer in Zhejiang Province. The management is dedicated to establishing a more substantial production facility in conjunction with the anticipated contract values over the next 12 to 36 months. We will keep shareholders informed of any significant developments in the Group's Green Energy Business through timely announcements.

B. Renewable Energy Business

Our original business plan focused on selling Huawei's inverters, which have been highly esteemed by EU customers due to their competitive pricing, exceptional performance, and reliability. However, the escalating geopolitical conflicts involving Western countries continue to pose significant challenges for the Group. The USA and EU's embargo on Huawei products for political reasons serves as an example of the unfair obstacles facing those looking to sell products in the EU.

On the other hand, given the decreasing duration under the Feed-in Tariff (FiT) scheme in Hong Kong, the Group is shifting its focus toward medium to large-scale projects. We are also planning to expand the sale of our solar photovoltaic (SPV) systems and key components in international markets. Negotiations are currently ongoing with potential partners in the PRC, the UK, and several Southeast Asian countries.

* *For identification purpose only.*

C. Development of Smart City Solution Business

In recent years, the nation has placed a high priority on the development of the data center industry. The 14th Five-Year Plan and the 2035 Vision Outline clearly state the goal of "accelerating the establishment of an integrated national data center system, enhancing coordinated intelligent scheduling of computing power, constructing several national hub nodes, and developing clusters of large data centers, as well as building Class E and 10E supercomputing centers."

Currently, China's data center industry is transitioning from rapid growth to high-quality development. The rollout of policies related to national integrated data centers and new types of data centers, along with the implementation of the "East Data, West Computing" initiative, has provided clear direction for the collaborative and integrated development of data centers, continually optimizing the layout of the national data center industry.

Taking advantage of these opportunities, the Group is committed to expanding its Smart City Solution Business and actively seeking new market prospects. We are currently in negotiations with several potential customers across different cities in the PRC, which present significant revenue opportunities for the Group.

During the review period, we have made notable progress in securing new projects. These contracts highlight the Group's ability to attract new customers and effectively deliver our Smart City solutions.

The Group's expansion into these new projects and potential contracts reflects our expertise and reputation in the Smart City Solution industry. With a robust pipeline of projects under negotiation, we are well-positioned to capitalize on the growing demand for advanced technological solutions in various cities across the PRC.

Looking ahead, we are optimistic about the revenue potential of our IDC Business. We believe these projects will not only enhance our financial performance but also strengthen our reputation as a trusted provider of data center solutions and technological services.

The Group's strategic focus on delivering innovative and customized Smart City solutions and IDC services will drive growth and improve our market positioning. By leveraging our expertise, building strong business relationships, and providing exceptional value to our customers, we are confident in our ability to achieve lasting success in the Smart City Solution Business.

In conclusion, the Group's outlook for the Smart City Solution Business and IDC centers is promising, with a strong pipeline of projects and ongoing negotiations with potential customers. We remain committed to delivering high-quality solutions and expanding our market presence, ensuring long-term profitability and value creation for our stakeholders.

D. Potential Investment

In June 2023, Power Favour Holdings Limited, a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement to acquire approximately 51.15% of the issued shares of the Intelligent Children's Palace for a consideration of approximately HK$33.68 million ("**Acquisition**"). If successful, this acquisition would be regarded by the Group as a very substantial acquisition ("**VSA**") and would represent a significant effort by the Company to bolster its market position.

However, following the execution of the share purchase agreement, the Company became subject to inquiries and scrutiny from the Stock Exchange of Hong Kong Limited ("**Stock Exchange**"). Between June and September 2023, the Company received both written and verbal inquiries, as well as a show cause letter, requesting further information and clarification regarding the acquisition. In response, the Company diligently addressed the concerns raised by the Stock Exchange.

In September 2023, the Company received a Listing Decision, which indicated that the acquisition constituted a Reverse Takeover ("**RTO**") under Rule 14.06B of the Listing Rules. This ruling carried significant implications for the Company and required further action. Accordingly, in October 2023, the Company submitted an application to the Listing Committee, seeking a review of the Listing Decision. The Listing Committee reviewed the Company's application in November 2023 and ultimately upheld the Listing Decision, confirming the RTO classification (the "**LC Decision**").

On March 28, 2024, the Company received a ruling (the "**LRC Decision**") from the Listing Review Committee of the Stock Exchange, which reaffirmed the LC Decision that the Acquisition constituted a reverse takeover under Rule 14.06B. While we did not dispute the LRC's assessment that the relevant time for the size test ratio assessment was the date of the Acquisition in June 2023, we contended that it should simply be classified as a very substantial acquisition, as the Group had demonstrated that it was not a listed shell.

Management is currently contemplating whether the Group should pursue action regarding the acquisition before the long stop date of December 31, 2024. For further details, please refer to the Company's announcement dated July 25, 2024.

LIQUIDITY AND FINANCIAL RESOURCES

Financial Position and Gearing

The Group's financial position remained positive with reasonable gearing.

As at 30 June 2024, the Group had approximately HK$14.7 million (2023: approximately HK$9.1 million) liquid assets made up of deposits, bank balances and cash. Current assets were approximately HK$220 million (2023: approximately HK$131 million) and current liabilities amounted to approximately HK$158 million (2023: approximately HK$37 million). With net current assets of approximately HK$62 million (2023: approximately HK$94 million), the Group maintained a healthy level of financial liquidity. Gearing ratio at 30 June 2024 is zero as the Group had no borrowings as at 30 June 2024 (2023: N/A).

As at 30 June 2024, the Group had no short term or long term borrowings (2023: HK$ Nil). Finance costs for the year were approximately HK$40,000 (2023: approximately HK$172,000).

Fund Raising Activities

A. During the year ended 30 June 2022, the Group completed a fund raising exercise to strengthen its financial position and raised total gross proceeds of approximately HK$205 million, with the net proceeds therefrom having been applied as follows:

Date of announcement	Fund raising activity	Fund raising activity	Intended use of Proceeds	Actual use of proceeds
18 May 2021 *(Note 1)*	Rights issue on the basis of three rights shares for every one existing share held on the record date at HK$0.10 per rights share	Approximately HK$198 million	For repayment of loan due to Guangdong Finance Limited under a facility agreement entered into between the Company and Guangdong Finance Limited and promissory note payables and; for facilitating the business of oil trading, renewable energy and IT projects of the Group	HK$126 million was utilized for repayment of the loan owing to Guangdong Finance Limited and HK$41 million was utilized for repayment of promissory note payables; and approximately HK$22.8 million was utilized for trading business; and approximately HK$3.6 million was utilized for the renewable energy projects; and the remaining balance of approximately HK$4.6 million was fully utilised during the finance year 2023 in funding its renewable energy business.

Note 1: On 6 December 2021, 31 valid acceptances in respect of a total of 543,873,330 rights shares allotted and 26 valid applications for a total of 114,287,801 excess rights shares under the rights issue were received. In aggregate, acceptance of and applications for a total of 658,161,131 rights shares were received. Based on the acceptance and application results, the rights issue was undersubscribed. Pursuant to the terms of the underwriting agreement, the underwriters (Get Nice Securities Limited and Kingston Securities Limited) eventually took up the 1,393,331,413 undersubscribed shares.

B. On 27 June 2024, the Company and the Placing Agents entered into the Placing Agreements, pursuant to which the Placing Agents have agreed to place, on a best effort basis, 136,764,000 Placing Shares to not less than six Placees at the Placing Price of HK$0.175 per Placing Share upon the terms and subject to the conditions set out in the Placing Agreements (the "**Placing**").

The Placing Price represents (i) a discount of approximately 13.79% to the closing price of HK$0.203 per Share as quoted on the Stock Exchange on 27 June 2024, being the date of the Placing Agreements; (ii) a discount of approximately 13.96% to the average closing price of HK$0.2034 per Share as quoted on the Stock Exchange for the last five trading days immediately prior to and excluding the Last Trading Day; and (iii) a discount of approximately 18.80% to the average closing price of HK$0.2155 per Share as quoted on the Stock Exchange for the last ten trading days immediately prior to and excluding the Last Trading Day.

The Placing was completed on 19 July 2024, the net proceeds received by the Company, after deducting placing commission and other fee is approximately HK$23 million.

The Company intends to use approximately HK$8 million of the net proceeds for general working capital of the Group, HK$10 million as working capital specifically for renewable energy business and data centers, and remaining HK$5 million for investment in the green and/or renewable energy sectors should the opportunities arise.

Treasury Policy

The Group is committed to manage its financial resources prudently and to maintain a positive liquid financial position. The Group finances its operation and business development by a combination of internally generated resources, capital market instruments and banking facilities. All the borrowings were used by subsidiaries of the Company in the form of fixed loans, margin loans and promissory notes. As all the Group's borrowings were denominated in their local currencies, the currency risk exposure associated with them was insignificant. The Group does not engage in any speculative derivatives or structured product transactions, interest rate or foreign exchange speculative activities. It is the Group's policy to manage foreign exchange risk through matching foreign exchange income with expenses and, where significant exposure to foreign exchange is anticipated, appropriate hedging instruments may be used.

Capital Commitments

As at 30 June 2024, the Group had a capital commitment of approximately HK$5.5 million in relation to the capital injection of a subsidiary located in the PRC. (2023: Nil).

Charges

The Group did not have any charges on assets as at 30 June 2024.

Contingent liabilities

As at 30 June 2024, the Group had on record a contingent liability of HK$1 million (HK$1,000,000) for which provision is not made since, after due consultation with lawyers, the directors are of the view that a provision is unnecessary as the chance of winning the case is high. The Group's subsidiary is the plaintiff in this High Court case claiming a subcontractor for costs incurred and wasted in performing a main installation contract amounted to at least HK$0.5 million (HK$500,000) plus and the loss of profits in the main and other contracts totalled HK$5.3 million (HK$5,300,000) as a result of the defective and substandard work of the subcontractor. Our claim is supported by a lot of evidence including but not limited to a Defects Report prepared by qualified independent professional engineers. Save as disclosed, the Group had no other material contingent liabilities as at 30 June 2024 (30 June 2023: nil).

Significant investments held, material acquisitions and disposals of subsidiaries, associates and joint ventures, and future plans for material investments or capital assets

Save as disclosed, there were no significant investments held, no material acquisitions or disposals of subsidiaries, associates and joint ventures during the year ended 30 June 2024.

REMUNERATION POLICY

As at 30 June 2024, the Group employed about 40 full-time and part-time staff around the globe (2023: 34). Staff costs for the year ended 30 June 2024 were approximately HK$12.0 million (2023: approximately HK$11.2 million).

The remuneration of the employees of the Group is determined with reference to market terms and the performance, qualifications and experience of the individual employee.

Emoluments of the Directors are recommended by the Human Resources and Remuneration Committee of the Company after considering factors such as the Company's operating results, individual capabilities, performance, salaries paid by comparable companies, and time commitment and responsibilities of the position.

The Company has adopted a share option scheme that may serve as an incentive to Directors, eligible employees and consultants where appropriate.

FINAL DIVIDEND

The Directors do not recommend any payment of final dividend for the year ended 30 June 2024 (2023: Nil).

EVENT AFTER REPORTING PERIOD

Save as disclosed, no significant event affecting the Group occurred subsequent to 30 June 2024.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor its subsidiaries purchased, sold or redeemed the Company's listed securities during the year ended 30 June 2024.

SCOPE OF WORK OF CHENG & CHENG LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 30 June 2024 as set out in the preliminary announcement have been agreed by the Group's auditor, CHENG & CHENG LIMITED, Certified Public Accountants, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by CHENG & CHENG LIMITED in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by CHENG & CHENG LIMITED on the preliminary announcement.

CODE OF CORPORATE GOVERNANCE

Throughout the year ended 30 June 2024, the Company complied with the code provisions in the code provisions of the Corporate Governance Code (the "**CG Code**"), contained in Appendix C1 to the Listing Rules.

COMPLIANCE WITH MODEL CODE

The Company has adopted the Model Code for Securities Transactions by Directors of the Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding directors' securities transactions. Specific enquiries have been made with all Directors, who have confirmed that, during the year ended 30 June 2024, each of them has complied with the required standards as set out in the Model Code.

AUDIT COMMITTEE

The audit committee of the Company (the "**Audit Committee**") has reviewed with the management of the Group on the accounting principles and practices adopted by the Group, its internal controls and financial reporting matters.

The annual results of the Company for the year ended 30 June 2024 have been reviewed by the Audit Committee.

By order of the Board
CHAMPION TECHNOLOGY HOLDINGS LIMITED
WONG MAN WINNY
Chairperson

Hong Kong, 30 September 2024

As at the date of this announcement, the executive directors of the Company is Ms. Wong Man Winny; the non-executive directors of the Company are Mr. Liu Ka Lim and Ms. To Yin Fong Cecilica; and the independent non-executive directors of the Company are Mr. Leung Man Fai, Mr. Chan Yik Hei and Mr. Wong Yuk Man Edmand.