

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

CCIAM FUTURE ENERGY LIMITED

信能低碳有限公司

(formerly known as The Hong Kong Building and Loan Agency Limited 香港建屋貸款有限公司)

(Incorporated in Hong Kong with limited liability)

(Stock code: 145)

FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2021

The board (the “**Board**”) of directors (the “**Director(s)**”) of CCIAM Future Energy Limited (the “**Company**”) announces the audited consolidated results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 31 December 2021, together with the comparative figures for the year ended 31 December 2020, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2021

	<i>Notes</i>	2021 <i>HK\$’000</i>	2020 <i>HK\$’000</i>
Revenue	5	7,583	7,985
Cost of sales		<u>(6,374)</u>	<u>(4,136)</u>
Gross profit		1,209	3,849
Other income	6	4,523	3,032
Net allowance for expected credit losses on trade receivables and finance lease receivables		(35,163)	(26,051)
Amortisation of intangible assets		(2,467)	(4,540)
Impairment loss on intangible assets		(21,678)	(20,315)
Impairment loss on right-of-use assets		(131)	(257)
Impairment loss on property, plant and equipment		(104)	–
Loss on early settlement of trade receivables		–	(289)
Selling expenses		(1,335)	(2,625)
Administrative and operating expenses		<u>(10,323)</u>	<u>(20,334)</u>

	<i>Notes</i>	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Loss from operations		(65,469)	(67,530)
Finance costs	7	<u>(4,076)</u>	<u>(3,620)</u>
Loss before taxation	8	(69,545)	(71,150)
Taxation	9	<u>3,622</u>	<u>3,728</u>
Loss for the year		<u>(65,923)</u>	<u>(67,422)</u>
Other comprehensive income for the year, net of tax			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translating foreign investments		<u>1,419</u>	<u>5,518</u>
Other comprehensive income for the year, net of tax		<u>1,419</u>	<u>5,518</u>
Total comprehensive expense for the year, net of tax		<u>(64,504)</u>	<u>(61,904)</u>
Loss for the year attributable to owners of the Company		<u>(65,923)</u>	<u>(67,422)</u>
Total comprehensive expense attributable to owners of the Company		<u>(64,504)</u>	<u>(61,904)</u>
		<i>HK cents</i>	<i>HK cents</i>
Loss per share			
– Basic and diluted	11	<u>(12.60)</u>	<u>(17.33)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2021

	Notes	2021 HK\$'000	2020 HK\$'000
Non-current assets			
Intangible assets	12	–	24,145
Property, plant and equipment		–	110
Right-of-use assets		–	306
Finance lease receivables	13	<u>40,717</u>	<u>41,314</u>
		<u>40,717</u>	<u>65,875</u>
Current assets			
Inventories		467	471
Trade and bills receivables	14	15,472	47,022
Prepayments, deposits and other receivables		2,010	1,047
Finance lease receivables	13	4,759	14,604
Cash and bank balances		<u>18,886</u>	<u>28,757</u>
		<u>41,594</u>	<u>91,901</u>
Current liabilities			
Trade and other payables	15	9,386	17,079
Lease liabilities		229	316
Other borrowings		<u>24,486</u>	<u>23,820</u>
		<u>34,101</u>	<u>41,215</u>
Net current assets		<u>7,493</u>	<u>50,686</u>
Total assets less current liabilities		<u>48,210</u>	<u>116,561</u>

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Non-current liabilities		
Lease liabilities	–	225
Deferred tax liabilities	–	3,622
	<u>–</u>	<u>3,847</u>
Net assets	<u>48,210</u>	<u>112,714</u>
Capital and reserves		
Share capital	3,177,339	3,177,339
Reserves	<u>(3,129,129)</u>	<u>(3,064,625)</u>
Total equity	<u>48,210</u>	<u>112,714</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

1. CORPORATE INFORMATION

CCIAM Future Energy Limited (formerly known as “The Hong Kong Building and Loan Agency Limited”) (the “**Company**”) was incorporated in Hong Kong and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The address of registered office of the Company is Unit D, 7/F, Seabright Plaza, 9-23 Shell Street, North Point, Hong Kong.

Pursuant to a special resolution passed in extraordinary general meeting on 22 February 2021 and the certificate of change of name issued by the Company Registry in Hong Kong dated 3 March 2021, the English name of the Company changed from “The Hong Kong Building and Loan Agency Limited” to “CCIAM Future Energy Limited” and the adoption of “信能低碳有限公司” as the secondary name in Chinese of the Company to replace its existing secondary name in Chinese “香港建屋貸款有限公司” which is used for identification purpose only.

The Company is an investment holding company and its subsidiaries are principally engaged in design and provision of energy saving solutions.

The consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”) which is the same as functional currency of the Company and rounded to the nearest thousand of HK\$ (HK\$’000), unless otherwise stated.

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

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following 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 period beginning on or after 1 January 2021 for the preparation of the consolidated financial statements:

Amendments to HKFRS 9, HKAS 39, Interest Rate Benchmark Reform – Phase 2
HKFRS 7, HKFRS 4 and HKFRS 16

In addition, the Group has early applied the Amendment to HKFRS 16 Covid-19 – Related Rent Concessions beyond 30 June 2021.

In addition, the Group applied the agenda decision of the IFRS Interpretations Committee (the “**Committee**”) of the International Accounting Standards Board issued in June 2021 which clarified the costs an entity should include as “estimated costs necessary to make the sale” when determining the net realisable value of inventories.

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

New and amendments to HKFRSs in issue but not yet effective

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

HKFRS 17	Insurance Contracts and the related Amendments ²
Amendments to HKFRS 3	Reference to the Conceptual Framework ¹
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current amendments to Hong Kong Interpretation 5 (2020) ²
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies ²
Amendments to HKAS 8	Definition of Accounting Estimates ²
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction ²
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use ¹
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract ¹
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018–2020 ²

¹ Effective for annual periods beginning on or after 1 January 2022.

² Effective for annual periods beginning on or after 1 January 2023.

³ Effective for annual periods beginning on or after a date to be determined.

The directors of the Company anticipate that the application of all the new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by HKICPA. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, these consolidated financial statements also include applicable disclosures required by the Rules Governing the Listing of Securities (the “**Listing Rules**”) on the Stock Exchange and the Hong Kong Companies Ordinance.

(b) Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis at the end of each reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 Share-based Payment, leasing transactions that are accounted for in accordance with HKFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 Inventories or value in use in HKAS 36 Impairment of Assets.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Going Concern

For the year ended 31 December 2021, the Group incurred a net loss of approximately HK\$65,923,000 (2020: HK\$67,422,000) and a net cash outflow from operating activities of approximately HK\$3,388,000 (2020: HK\$10,514,000). Further, the Group had other borrowings of approximately HK\$24,486,000 and cash and bank balances was approximately HK\$18,886,000 as at 31 December 2021. Details in relation to the other borrowings are disclosed in Note 26 to the consolidated financial statement. These conditions cast significant doubt on the Group's ability to continue as a going concern. The Group is implementing the following measures in order to improve the working capital, liquidity and cash flow position of the Group:

(i) Alternative sources of funding

The Company is actively considering to raise new capital by carrying out fund raising activities including but not limited to rights issue, open offer and placing of new shares.

(ii) Control policy for operating costs

The Group is implementing operation plans to control costs and generate adequate cash flows from the Group's operations.

The ability of the Group to continue as a going concern is dependent upon the eventual successful outcomes of the above mentioned measures. These outcomes are inherently uncertain and cannot be determined with reasonable certainty. Hence a material uncertainty exists as a 31 December 2021 that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise the Group's assets and discharge the Group's liabilities in the normal course of business.

Notwithstanding the existence of the conditions described above, the directors of the Company have determined it is appropriate to adopt the going concern basis in the preparation of consolidated financial statements. The directors of the Company have reviewed the Group's cash flow projections prepared by the management. The cash flow projections cover a period of not less than twelve months from the end of the reporting period. The directors of the Company are of the opinion that, taking into account the above mentioned plans and measures, the Group would have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within the next twelve months from the end of the reporting period. Accordingly, the directors of the Company are of the opinion that it is appropriate to prepare the consolidated financial statements for the year ended 31 December 2021 on a going concern basis.

Should the Group be unable to continue to operate as a going concern, adjustments would have to be made to write down the value of assets to their recoverable amounts, to provide for any future liabilities which might arise and to reclassify non-current assets as current assets. The effects of these adjustments have not been reflected in the consolidated financial statements.

4. 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 years ended 31 December 2021 and 2020, the Group operates in one operating segment which is the provision of design and provision of energy saving solutions. A single management team reports to the Directors of the Group (being the chief operating decision-maker) who comprehensively manages the entire business. Accordingly, the Group does not present separately segment information.

Geographical information

The Group operates in two principal geographical areas – Hong Kong and the People’s Republic of China (the “PRC”).

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	
	2021 <i>HK\$’000</i>	2020 <i>HK\$’000</i>	2021 <i>HK\$’000</i>	2020 <i>HK\$’000</i>
The PRC	7,583	7,985	40,717	65,740
Hong Kong	–	–	–	135
	<u>7,583</u>	<u>7,985</u>	<u>40,717</u>	<u>65,875</u>

Information about major customer

Included in the Group’s revenue of approximately HK\$7,583,000 (2020: HK\$7,985,000), the revenue of approximately HK\$6,673,000 (2020: HK\$6,730,000) which arose from two (2020: two) customers of the design and provision of energy saving solutions business which contributed 10% or more to the Group’s revenue for the year.

Revenue from major customers, each of them amounted to 10% or more of the Group’s revenue, are set out below:

	2021 <i>HK\$’000</i>	2020 <i>HK\$’000</i>
Customer A (<i>Note (a)</i>)	4,533	–
Customer B (<i>Note (b)</i>)	–	3,574
Customer C (<i>Note (b)</i>)	–	3,156
Customer D (<i>Note (a)</i>)	<u>2,140</u>	<u>–</u>

Notes:

- (a) No information on revenue for the year ended 31 December 2020 is disclosed for these customers since none of them contributed 10% or more than to the Group’s revenue for the year ended 31 December 2020.
- (b) No information on revenue for the year ended 31 December 2021 is disclosed for these customers since none of them contributed 10% or more than to the Group’s revenue for the year ended 31 December 2021.

5. REVENUE

Revenue represents the aggregate of the amounts received and receivable from third parties, income from design and provision of energy saving solutions. Revenue recognised during the years are as following:

	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue from contracts with customers		
Energy saving solutions income	6,679	7,124
Repair and maintenance service income	904	861
	<u>7,583</u>	<u>7,985</u>

6. OTHER INCOME

	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
Bank interest income	31	19
Interest income on finance lease receivables	159	268
Interest income on extended trade receivables	–	1,136
Reversal of accrued service fee	4,326	–
Reversal of accrued interest expenses on other borrowings	–	1,262
Government grants (<i>Note</i>)	–	294
Exchange gain, net	–	42
Others	7	11
	<u>4,523</u>	<u>3,032</u>

Note:

During the year ended 31 December 2020, the Group recognised government grant of approximately HK\$294,000 in respect of COVID-19-related subsidies which is related to Employment Support Scheme provided by the Hong Kong government.

7. FINANCE COSTS

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Interest expenses on other borrowings	4,040	3,593
Interest expenses on lease liabilities	<u>36</u>	<u>27</u>
	<u>4,076</u>	<u>3,620</u>

8. LOSS BEFORE TAXATION

The Group's loss for the year is arrived at after charging/(crediting):

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Staff costs (including directors' remuneration)		
– Directors' fees	1,230	1,235
– Salaries, bonus and wages	5,105	8,125
– Equity-settled share-based payment	–	2,900
– Lieu of notice payment	–	1,294
– Contribution to retirement benefits schemes	<u>244</u>	<u>427</u>
	<u>6,579</u>	<u>13,981</u>
Auditors' remuneration		
– Audit services	750	630
– Non-audit services	–	150
Amortisation of intangible assets	2,467	4,540
Impairment loss on intangible assets	21,678	20,315
Impairment loss on right-of-use assets	131	257
Impairment loss on property, plant and equipment	104	–
Depreciation of property, plant and equipment	12	25
Depreciation expenses on right-of-use assets	182	482
Expenses relating to short-term lease	91	409
Exchange gain, net	–	(42)
Loss on disposal of property, plant and equipment	–	1
Net allowances for expected credit losses on trade receivables and finance lease receivables		
– Allowance for expected credit losses on trade receivables	26,808	12,149
– Allowance for expected credit losses on finance lease receivables	8,639	20,727
– Reversal of allowance for expected credit losses on trade receivables	(5)	(6,785)
– Reversal of allowance for expected credit losses on finance lease receivables	<u>(279)</u>	<u>(40)</u>
	<u>35,163</u>	<u>26,051</u>

9. TAXATION

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Deferred taxation		
Credit for the year	<u>3,622</u>	<u>3,728</u>

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.

(i) Hong Kong Profits Tax

Under the two-tiered profits tax rates regime, the first HK\$2 million of assessable profits of qualifying corporations will be taxed at 8.25%, and assessable profits above HK\$2 million will be taxed at 16.5%. The assessable profits of corporation not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. The two-tiered profits tax rates regime is applicable to the Group for the years ended 31 December 2020 and 2021.

The directors of the Company considered the amount involved upon implementation of the two-tiered profits tax rates regime as insignificant to the consolidated financial statements.

No provision of profit tax as no assessable profit for the both years.

(ii) PRC Enterprise Income Tax

The subsidiaries of the Group established in the PRC is generally subject to PRC Enterprise Income Tax on its taxable income at an income tax rate of 25%. A subsidiary in the PRC is qualified as a High Technology Enterprise from 18 November 2021 and enjoy PRC Enterprise Income Tax rate of 15%.

10. DIVIDEND

The Directors do not recommend payment of any dividends for the year ended 31 December 2021 (2020: Nil).

11. LOSS PER SHARE

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

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Loss		
Loss attributable to the owners of the Company for the purpose of basic and diluted loss per share	<u>(65,923)</u>	<u>(67,422)</u>
	2021 '000	2020 '000
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	<u>523,331</u>	<u>389,097</u>

Note:

The weighted average number of ordinary shares for the purpose of calculating basic loss per share for the year ended 31 December 2021 is based on share in issue during the year ended 31 December 2021. The weighted average number of ordinary Shares for the purpose of calculating basic loss per Shares for the year ended 31 December 2020 have been adjusted for the effects of placing of shares, share consolidation and rights issue of Shares completed on 27 July 2020, 26 August 2020 and 11 December 2020 respectively.

For the years ended 31 December 2021 and 2020, the Company's outstanding share options were not included in the calculation of diluted loss per share because the effects of the Company's outstanding share options were anti-dilutive.

12. INTANGIBLE ASSETS

	Patents <i>HK\$'000</i>
Cost	
At 1 January 2020, 31 December 2020, 1 January 2021 and 31 December 2021	<u>889,901</u>
Accumulated amortisation and impairment loss	
At 1 January 2020	840,901
Amortisation expenses	4,540
Impairment for the year	<u>20,315</u>
At 31 December 2020 and 1 January 2021	865,756
Amortisation expenses	2,467
Impairment for the year	<u>21,678</u>
At 31 December 2021	<u>889,901</u>
Carrying amounts	
At 31 December 2021	<u>–</u>
At 31 December 2020	<u>24,145</u>

Notes:

- (a) The intangible assets represent 7 patents regarding the acquired and owned “Ultra Performance Plant Control System” (“UPPC System”) for its novelty and industrial applicability in the PRC under the cash generating unit of design and provision of energy saving solutions business.
- (b) As at 31 December 2021, the remaining useful life of the patents for UPPC System is 8.8 years (2020: 9.8 years).
- (c) The Group carried out a review of the recoverable amount of the patents which are allocated to energy saving solution business for impairment assessments. An impairment loss of approximately HK\$21,678,000 (2020: HK\$20,315,000) on the intangible assets allocated to energy saving solution business was recognised during the year.

13. FINANCE LEASE RECEIVABLES

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Current portion of finance lease receivables	36,838	31,986
Non-current portion of finance lease receivables	<u>42,834</u>	<u>48,953</u>
	79,672	80,939
Less: Allowance for expected credit losses	<u>(34,196)</u>	<u>(25,021)</u>
	<u><u>45,476</u></u>	<u><u>55,918</u></u>
Analysed as:		
Current	4,759	14,604
Non-current	<u>40,717</u>	<u>41,314</u>
	<u><u>45,476</u></u>	<u><u>55,918</u></u>

14. TRADE AND BILLS RECEIVABLES

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Trade receivables with normal credit terms	61,478	65,194
Less: Allowance for expected credit losses	<u>(46,006)</u>	<u>(18,320)</u>
	<u>15,472</u>	<u>46,874</u>
Bills receivables	<u>–</u>	<u>148</u>
	<u><u>15,472</u></u>	<u><u>47,022</u></u>

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

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
0–90 days	1,017	2,163
91–180 days	–	72
Over 180 days	<u>14,455</u>	<u>44,639</u>
	<u><u>15,472</u></u>	<u><u>46,874</u></u>

15. TRADE AND OTHER PAYABLES

	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
Trade payables	664	3,666
Accrued service fee for acquisition of a subsidiary	–	3,871
Accrued expenses	2,106	2,269
Interest payables	5,085	6,877
Receipts in advance	938	4
Other payables	593	392
	<u>9,386</u>	<u>17,079</u>

The ageing analysis of trade payables is based on the invoice date as follows:

	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
0 – 90 days	57	410
91 – 180 days	–	2,309
181 – 365 days	10	3
Over 365 days	597	944
	<u>664</u>	<u>3,666</u>

Trade payables are interest-free and normally settled on delivery. The average credit period for purchase of goods is 90 days.

EXTRACT OF THE AUDITORS' REPORT

“In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2021, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

MATERIAL UNCERTAINTY RELATING TO GOING CONCERN

We draw attention to Note 3(b) in the consolidated financial statements, which indicates that the Group incurred a net loss of approximately HK\$65,923,000 and a net cash outflow from operating activities of approximately HK\$3,388,000 for the year ended 31 December 2021. These factors indicate the existence of material uncertainty that may cast significant doubt on the Group’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.”

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

CCIAM Future Energy Limited (the “**Company**”), together with its subsidiaries (collectively, the “**Group**”), are principally engaged in treasury investments, provision of loan financing and design and provision of energy saving solutions.

During the year ended 31 December 2021, based on the audited financial information, the Group recorded an audited revenue of approximately HK\$7,583,000, representing a decrease of approximately 5% as compared with approximately HK\$7,985,000 for the last year. A loss for the year attributable to the owners of the Company of approximately HK\$65,923,000 (2020: loss of approximately HK\$67,422,000) was recorded which was mainly attributable to: (i) net allowance for expected credit losses on trade and finance lease receivables of approximately HK\$35,163,000 (2020: approximately HK\$26,051,000); (ii) an impairment of intangible assets of approximately HK\$21,678,000 (2020: approximately HK\$20,315,000); and (iii) finance costs of approximately HK\$4,076,000 (2020: approximately HK\$3,620,000) which included the interest expense of approximately HK\$4,040,000 (2020: approximately HK\$3,593,000) on other borrowings raised for project financing of the Group.

Energy saving solutions business

The Company subsidiary, Weldtech Technology Co. Limited and its subsidiary, Haoxin Technology (Shanghai) Company Limited (濠信節能科技(上海)有限公司) (collectively, the “**Weldtech Group**”) is primarily engaged in design and provision of energy saving solutions business (the “**Energy Saving Business**”).

With respect to the segment of design and provision of energy saving solutions, a segment loss of approximately HK\$65,280,000 was recorded for the year ended 31 December 2021 (2020: loss of approximately HK\$57,818,000). The segment loss was mainly attributable to: (i) net allowance for expected credit losses on trade and finance lease receivables of approximately HK\$35,163,000 (2020: approximately HK\$26,051,000); and (ii) an impairment of intangible assets of approximately HK\$21,678,000 (2020: approximately HK\$20,315,000); (iii) an amortisation of the intangible assets of approximately HK\$2,467,000 (2020: approximately HK\$4,540,000). The amortisation of intangible assets is calculated over the useful life of 7 patents for “Ultra Performance Plant Control System” (the “**UPPC System**”) held under Weldtech Group. Before deducting the impairment loss on and amortisation of intangible assets, impairment loss on right-of-use assets, impairment loss on property, plant and equipment and the respective deferred tax movement, Weldtech Group has generated a segment loss of approximately HK\$44,522,000 (2020: segment loss of approximately HK\$36,434,000) to the Group.

Weldtech Group is engaged in the Energy Saving Business regarding heating, ventilation and air conditioning (the “**HVAC**”) system, our customers are mainly commercial properties like hotels, office buildings, shopping malls and industrial plants.

Since the outbreak of novel coronavirus pandemic (the “**Pandemic**”) in 2020, there was a significant shrink of business activities of our customers such as the decreased occupancy rate for hotels and decrease in production volume for factories. The Pandemic not only affected our business environment but also delayed the collection of receivables of the Group. The Group noted that there was delay in receivable collection from customers, especially for those customers located near the heavily affected areas and under significant impact of the Pandemic. The Group has taken necessary steps in response to the situation, including but not limited to negotiations with customers for on-time repayment or renewal of repayment schedules; issuance of payment reminders; and taking legal actions in due course. The Group has filed litigations to recover overdue receivables for certain customers. The Group will timely monitor the situation and implement appropriate measures to minimize losses. For the year ended 31 December 2021, the Company engaged an independent valuer to perform impairment assessment for potential credit losses on trade receivables and finance lease receivables. During the year ended 31 December 2021, net allowance for expected credit losses on trade receivables and finance lease receivables of approximately HK\$35,163,000 (2020: approximately HK\$26,051,000) was resulted.

In 2021, the real estate developer crisis in China caused a significant impact to the energy saving businesses, especially for commercial properties. Due to the financial squeeze for developers in Chinese property sector, hit by government clampdowns on excessive debt, there were delays in construction projects as well as suspensions in new properties proposals.

Considering the less than expected cash inflow from receivables collection and possible impact on customers’ repayment ability, Weldtech Group has become more conservative and slowed down in taking new orders in 2021, resulting in a decrease in revenue of approximately 5% when compared to 2020.

During the year ended 31 December 2021, there was an impairment of intangible assets of approximately HK\$21,678,000 and amortisation of intangible assets of approximately HK\$2,467,000, in respect of the patents held under Weldtech Group which equals to 100% of the carrying amount of the Group's intangible assets as at 31 December 2020. The Company engaged an independent professional valuer to assess the value in use of Weldtech Group as at 31 December 2021 and produced the valuation report, which was used to determine the fore-mentioned impairment amount, after taking into account (i) the economic development of the People's Republic of China (the "PRC"); (ii) the development of energy saving industry; and (iii) the expected business flow and development plan of the Energy Saving Business during the valuation process. The decrease in valuation was mainly due to the following factors: (i) the slow-down in the PRC economy as a result of the Pandemic and the financial crisis faced by the PRC developers during the year that impacted the market negatively; (ii) decrease in revenue as compared with last year; (iii) a more conservative approach to forecasting future revenue in coming years; and (iv) the fierce competition within the Energy Saving Business; and (v) continuous lowering of government subsidies. As above, an overall poor market sentiment in energy saving sector was resulted.

Loan financing and treasury investments businesses

With respect to the segment of loan financing and treasury investments businesses, the Company is in the process of locating opportunities in both the loan financing and treasury investments segments. However, there is no desirable opportunity raised and found fit to the Company. The Company will continue to explore the business opportunities in the market for the development of the Group's business.

TOTAL ASSETS AND TOTAL LIABILITIES

As at 31 December 2021, the total assets decreased to approximately HK\$82,311,000 (2020: approximately HK\$157,776,000). The decrease was mainly attributable to: (i) net allowance for expected credit losses on trade and finance lease receivables of approximately HK\$35,163,000 (2020: approximately HK\$26,051,000); (ii) an impairment of intangible assets of approximately HK\$21,678,000 (2020: approximately HK\$20,315,000); (iii) an amortisation of intangible assets of approximately HK\$2,467,000 (2020: approximately HK\$4,540,000).

As at 31 December 2021, the Group made full impairment on intangible assets (2020: carrying value of HK\$24,145,000). The intangible assets represent 7 patents related to the UPPC System used by the Energy Saving Business.

As at 31 December 2021, the Group held finance lease receivables amounting to approximately HK\$45,476,000 (2020: approximately HK\$55,918,000).

As at 31 December 2021, total liabilities decreased to approximately HK\$34,101,000 (2020: approximately HK\$45,062,000). The total liabilities mainly represented the trade and other payables of approximately HK\$9,386,000 (2020: approximately HK\$17,079,000); and other borrowings of approximately HK\$24,486,000 (2020: approximately HK\$23,820,000).

FOREIGN EXCHANGE 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\$**”). HK\$ is the Group's presentation currency. During the year, the revenue, cost of operations and operating expenses of the Group are mainly denominated in RMB. Therefore, the Group is exposed to potential foreign exchange risk as a result of fluctuation of RMB against HK\$. 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.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

During the year ended 31 December 2021, the Group finances its operations mainly through internally generated cashflows, other borrowings and proceeds from right issues and placing of new shares in 2020. As at 31 December 2021, the Group has net current assets of approximately HK\$7,493,000 (2020: approximately HK\$50,686,000). As at 31 December 2021, the Group's cash and bank balances amounted to approximately HK\$18,886,000 (2020: approximately HK\$28,757,000).

The gearing ratio of the Group as at 31 December 2021, which is calculated as net debt (as calculated as other borrowings less cash bank balances) divided by total capital (as calculated by total equity plus net debts) was 10.4%. As at 31 December 2020, the Group has net cash of approximately HK\$4,937,000, therefore, the gearing ratio is not applicable as at 31 December 2020.

As at 31 December 2021, the Group's other borrowings of approximately HK\$24,486,000 (2020: approximately HK\$23,820,000) were secured by the corporate guarantees granted by the Company.

The share capital of the Group only comprises of ordinary shares. As at 31 December 2021, the Company's number of issued ordinary shares was 523,330,908 (“**Share(s)**”) (2020: 523,330,908 Shares).

CHARGE ON GROUP ASSETS AND CONTINGENT LIABILITIES

As at 31 December 2021 and 31 December 2020, the Group did not have material contingent liabilities and charge on group assets.

CAPITAL COMMITMENT

As at 31 December 2021, the Group had capital commitments, which were contracted but not provided for, in respect of construction contract of approximately HK\$5,807,000 (2020: approximately HK\$3,365,000).

MATERIAL INVESTMENTS, ACQUISITION AND DISPOSALS

Save as disclosed elsewhere in this announcement, there were no material investments, acquisitions or disposals of subsidiaries during the year ended 31 December 2021.

STAFF AND REMUNERATION

The Group had 19 (2020: 20) employees as at 31 December 2021 and total staff costs during the year ended 31 December 2021 amounted to approximately HK\$6,579,000 (2020: approximately HK\$13,981,000). During the year ended 31 December 2020, there was an equity-settled share-based payment expense of approximately HK\$2,900,000. The Group offers competitive remuneration packages to its employees.

FINANCIAL KEY PERFORMANCE INDICATORS

The Group's net asset value is a key indicator of the financial performance and it decreased to approximately HK\$48,210,000 as at 31 December 2021 (2020: approximately HK\$112,714,000). During the year ended 31 December 2021, the Group recorded a loss attributable to the owners of the Company of approximately HK\$65,923,000 (2020: loss of approximately HK\$67,422,000).

The net asset value per share was HK\$0.092, which was calculated on the above net assets value and the Company's number of 523,330,908 issued ordinary shares as at 31 December 2021.

OUTLOOK AND PROSPECT

Regarding the energy saving solutions business, the increasing awareness of the energy saving, social responsibility and also the determination to reduce carbon emission, the energy saving and environmental protection remain the key focus of the PRC government. However, the macro-economic factors have brought uncertainties and may fluctuate the market.

Going forward, Weldtech Group will continue to target the potential customers for buyout projects to improve cashflow of Weldtech Group with shorter turnover days and explore secondary sales from the existing customers, so as to enhance the portfolio of the Company. Weldtech Group will continue to develop new reusable energy platforms as well as getting new orders in construction/engineering related projects in order to expand the Group's business. Our team has worked hard to secure contracts in order to keep the business momentum under the current environment affected by the Pandemic. Moreover, Weldtech Group aims to compete contracts which were signed and in negotiations in 2021.

Under the current business environment, Weldtech Group will adopt a prudent way and remain cautious, especially in terms of project screening and evaluating the impact of the Pandemic as well as the financial squeeze on customers' business and financial position in order to secure the payment of the projects. Weldtech Group has implemented a more conservative credit policy on customers with the aim to match the cash inflow cycle from customers against the cash outflow cycle to suppliers. This could improve the cashflow flexibility of the Group in the current economic situation due to the Pandemic.

Market conditions remain challenging and dynamic in 2022. It remains uncertain on the Pandemic situation in the foreseeable future. As far as the Group's business is concerned, customer demand, budget for capital expenditure are expected to be affected. Although some cities in the PRC started to pick up the pace in terms of economic activities, it is expected that market sentiment takes relatively long time to fully reflect the impact, recover and resume back to normal. Also, the fluctuation of global oil prices since early 2020 might impact the Group's energy saving operation. The Group will take feasible and necessary measures to react against the economic downturn and will also actively seize investment opportunities prudently and thoroughly.

Management expects that fiscal year 2022 will still be full of challenges in view of the uncertainties in the global economy. The Group will continue to explore and capture business opportunities in the green sector, including HVAC energy saving projects, and also the related construction, clean energy procurement, sales and solutions. The Company is actively seeking and exploring other business opportunities in other sectors in China as well as outside China, if appropriate. For financing, the Group will continue to explore various funding sources including project financing, debt financing and/or equity fund raising to finance the development of the Group.

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2021.

CORPORATE GOVERNANCE CODE

Throughout the year, the Company applied the principles of and complied with the code provisions of the Corporate Governance Code (the “**CG Code**”) contained in Appendix 14 to the Listing Rules of the Stock Exchange save for the following deviations:

Under code provision A.2.1 of the CG Code, the roles of 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 year ended 31 December 2021, reason being the functions of the chairman and CE are performed by the three executive Directors collectively. The Board will review the current practice from time to time and make appropriate changes if considered necessary.

Under code provision A.2.7 of the CG Code, the chairman of the board should at least annually hold meetings with the non-executive directors (including independent non-executive directors) without the executive directors present. As the Company does not have a chairman, no such meeting was held in the year.

Under code provision A.6.7 of the CG Code, independent non-executive directors and other non-executive directors should attend general meetings and develop a balanced understanding of the views of shareholders. Some Directors were absent from the last annual general meeting of the Company held on 4 June 2021 due to their other important engagements at the relevant time.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules (the “**Model Code**”) as its code of conduct regarding securities transactions by the Directors. All Directors have confirmed, following a specific enquiry by the Company, that they have complied with the required standard as set out in the Model Code throughout the year.

AUDIT COMMITTEE REVIEW

The audit committee of the Company (the “**Audit Committee**”) consists of three independent non-executive Directors, namely Mr. Choy Hiu Fai, Eric (the chairman of the Audit Committee), Mr. Huang Lizhi and Mr. Lam Yau Fung, Curt.

The primary duties of the Audit Committee are to review the Group’s annual reports and accounts, half-year reports and internal control and risk management systems, and to review significant financial reporting judgments contained in its reports and to provide advice and comments thereon to the Board.

The audited final results for the year ended 31 December 2021 of the Company have been reviewed by the Audit Committee.

SCOPE OF WORK OF HLB HODGSON IMPEY CHENG LIMITED

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 December 2021 have been agreed by the Group's auditors, HLB Hodgson Impey Cheng Limited, to the amounts set out in the Group's consolidated financial statements for the year ended 31 December 2021. The work performed by HLB Hodgson Impey Cheng Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently, no assurance has been expressed by HLB Hodgson Impey Cheng Limited on the preliminary announcement.

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

Hong Kong, 25 March 2022

As at the date hereof, the Board comprises Mr. Cheng Lut Tim, Mr. Chong Kok Leong and Mr. Zhuang Miao Zhong being the executive Directors; and Mr. Choy Hiu Fai, Eric, Mr. Huang Lizhi and Mr. Lam Yau Fung, Curt being the independent non-executive Directors.