CCIAM FUTURE ENERGY LIMITED
信能低碳有限公司

(Incorporated in Hong Kong with limited liability)

(Stock code: 145)

INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2023

The board (the "**Board**") of directors (the "**Director(s)**") of CCIAM Future Energy Limited (the "**Company**") is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively the "**Group**") for the six months ended 30 June 2023 together with the unaudited comparative figures for the six months ended 30 June 2022 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2023

		Six months ended 30 June	
		2023	2022
	Notes	***HK$'000***	*HK$'000*
		(Unaudited)	(Unaudited)
Revenue	*4*	**15,377**	1,776
Cost of operation		**(14,589)**	(1,265)
Gross profit		**788**	511
Other income	*5*	**619**	80
Net allowance for expected credit losses on trade receivables and finance lease receivables		**(432)**	(1,330)
Selling expenses		**(423)**	(447)
Administrative and operating expenses		**(6,093)**	(5,260)
Loss from operations		**(5,541)**	(6,446)
Finance costs	*6*	**(645)**	(2,054)
Loss before taxation	*7*	**(6,186)**	(8,500)
Taxation	*8*	**–**	–
Loss for the period		**(6,186)**	(8,500)

	Notes	Six months ended 30 June **2023** ***HK$'000*** **(Unaudited)**	2022 *HK$'000* (Unaudited)
Other comprehensive loss for the period, net of tax			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**(926)**	(1,416)
Other comprehensive loss for the period, net of tax		**(926)**	(1,416)
Total comprehensive loss for the period, net of tax		**(7,112)**	(9,916)
Loss for the period attributable to owners of the Company		**(6,186)**	(8,500)
Total comprehensive loss for the period attributable to owners of the Company		**(7,112)**	(9,916)
		HK cents	*HK cents*
Loss per share			
– Basic and diluted	*10*	**(0.67)**	(1.62)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2023

	Notes	30 June 2023 HK$'000 (Unaudited)	31 December 2022 HK$'000 (Audited)
Non-current assets			
Right-of-use assets		**274**	–
Finance lease receivables	*11*	**10,356**	11,410
		10,630	11,410
Current assets			
Inventories		**405**	420
Trade receivables	*12*	**160**	2,636
Contract assets	*13*	**2,464**	2,021
Prepayments, deposits and other receivables		**10,376**	13,785
Finance lease receivables	*11*	**2,011**	2,914
Cash and bank balances		**26,653**	26,985
		42,069	48,761
Current liabilities			
Trade and other payables	*14*	**10,835**	9,533
Contract liabilities		**–**	8,819
Lease liabilities		**280**	–
Other borrowings		**–**	22,374
		11,115	40,726
Net current assets		**30,954**	8,035
Total assets less current liabilities		**41,584**	19,445
Net assets		**41,584**	19,445
Capital and reserves			
Share capital		**3,230,874**	3,201,626
Reserves		**(3,189,290)**	(3,182,181)
Total equity		**41,584**	19,445

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023

1. BASIS OF PREPARATION

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

The unaudited condensed consolidated financial statements should be read in conjunction with the annual financial statements of the Group for the year ended 31 December 2022 as contained in the Company's annual report 2022, which have been prepared in accordance with the Hong Kong Financial Reporting Standards (the "**HKFRSs**").

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

The unaudited condensed consolidated financial statements are presented in HK dollars ("**HK$**"), which is the same as the functional currency of the Group. All values are rounded to the nearest thousand, unless otherwise stated. These unaudited condensed consolidated financial statements were approved for issue on 24 August 2023.

The financial information relating to the financial year ended 31 December 2022 that is included in this interim financial report as comparative information does not constitute the Company's statutory annual consolidated financial statements for that financial year but is derived from those financial statements. Further information relating to these statutory financial statements disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the financial statements for the year ended 31 December 2022 to the Registrar of Companies in accordance with section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance.

The Company's auditor has reported on those financial statements for the year ended 31 December 2022. The auditors' report was unqualified; but include a reference to a matter to which the auditor drew attention by way of emphasis under the heading "Material Uncertainty Related to Going Concern" without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Companies Ordinance.

Going Concern

For the six months ended 30 June 2023, the Group incurred a net loss of approximately HK$6,186,000 (2022: approximately HK$8,500,000). The Group is implementing the following measures in order to improve the working capital and liquidity and cash flow position of the Group.

(i) *Alternative source 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 cost*

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

The eventual successful outcome of the above mentioned measures cannot be determined with reasonable certainty. The conditions described above indicate the existence of a material uncertainty 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 six months ended 30 June 2023 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 and liabilities as current assets and liabilities respectively. The effect of these adjustments has not been reflected in the consolidated financial statements.

2. CHANGES IN ACCOUNTING POLICIES

In the current interim period, the Group has applied, for the first time, the following new and amendments to HKFRSs issued by the HKICPA, which are mandatory effective for the annual period beginning on or after 1 January 2023 for the preparation of the Group's condensed consolidated financial statements:

HKFRS 17 and related amendments	Insurance Contracts
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The adoption of these amendments to HKFRSs has no material impact on the Group's result and financial position for the current or prior periods. The Group has not applied any new standard or amendment that is not effective for the current accounting period.

3. SEGMENT INFORMATION

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

During the six months ended 30 June 2023 and 2022, 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 one principal geographical area – 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 six months ended 30 June		**Non-current assets**	
	2023	2022	**30 June 2023**	31 December 2022
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Audited)
The PRC	**15,377**	1,776	**10,630**	11,410

4. REVENUE

Revenue represents income from design and provision of energy saving solutions.

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

	Six months ended 30 June	
	2023	2022
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Revenue from contracts with customers		
Energy saving solutions income	**15,149**	1,653
Repair and maintenance service income	**228**	123
	15,377	1,776

5. OTHER INCOME

	Six months ended 30 June	
	2023	2022
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Bank interest income	**13**	12
Interest income on finance lease receivables	**14**	20
Government grants *(Note)*	**–**	48
Gain on disposal of a subsidiary	**50**	–
Reversal of accrued sales commission	**542**	–
	619	80

Note: During the six months ended 30 June 2022, the Group recognised government grant of HK$48,000 in respect of COVID-19-related subsidies which is related to Employment Support Scheme provided by the Hong Kong government.

6. FINANCE COSTS

	Six months ended 30 June	
	2023	2022
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Interest expenses on other borrowings	**630**	2,048
Interest expenses on lease liabilities	**15**	6
	645	2,054

7. LOSS BEFORE TAXATION

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

	Six months ended 30 June	
	2023	2022
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Staff costs (including Directors' remuneration):		
– Directors' fee	**762**	618
– Salaries, bonus and wages	**1,963**	2,641
– Contribution to retirement benefits schemes	**76**	93
	2,801	3,352
Depreciation of property, plant and equipment	**2**	–
Depreciation expenses on right-of-use assets	**96**	–
Expenses relating to short-term lease	**–**	48
Net allowances for expected credit losses on trade receivables and finance lease receivables		
– Allowance for expected credit losses on trade receivables	**–**	453
– Allowance for expected credit losses on finance lease receivables	**524**	879
– Allowance for expected credit losses on contract assets	**55**	–
– Reversal of allowance for expected credit losses on trade receivables	**–**	(2)
– Reversal of allowance for expected credit losses on finance lease receivables	**(147)**	–
	432	1,330

8. TAXATION

	Six months ended 30 June	
	2023	2022
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Deferred taxation		
Credit for the period	**–**	–

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

No provision for Hong Kong profits tax has been made as the Group did not have assessable profits in Hong Kong for the six months ended 30 June 2023 (six months ended 30 June 2022: Nil).

9. INTERIM DIVIDEND

The Directors do not recommend the payment of any interim dividends in respect of the six months ended 30 June 2023 (six months ended 30 June 2022: Nil).

10. LOSS PER SHARE

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

	Six months ended 30 June	
	2023	2022
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Loss		
Loss for the period attributable to owners of the Company for the purpose of basic and diluted loss per share	**(6,186)**	(8,500)

	Six months ended 30 June	
	2023	2022
	'000	*'000*
	(Unaudited)	(Unaudited)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	**928,231**	523,331

Note: For the six months ended 30 June 2023 and 2022, 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.

11. FINANCE LEASE RECEIVABLES

	30 June	31 December
	2023	2022
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Current finance lease receivables	**31,324**	32,751
Non-current finance lease receivables	**11,343**	12,631
	42,667	45,382
Less: Allowance for expected credit losses	**(30,300)**	(31,058)
	12,367	14,324

Amounts receivable under finance leases

Analysed for reporting purposes as:

	30 June	31 December
	2023	2022
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Current assets	**2,011**	2,914
Non-current assets	**10,356**	11,410
	12,367	14,324

The interest rate inherent in the leases is fixed at the contract date for the entire lease term. The effective interest rate is approximately 8.45% per annum for the six months ended 30 June 2023 (31 December 2022: 8.45%).

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

Net allowance for expected credit losses of approximately HK$524,000 has been recognised for finance lease receivables during the period 30 June 2023 (2022: net allowance of approximately HK$879,000).

12. TRADE RECEIVABLES

	30 June 2023	31 December 2022
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Trade receivables	**53,407**	57,880
Allowance for expected credit losses	**(53,247)**	(55,244)
	160	2,636

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

	30 June 2023	31 December 2022
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
0 to 90 days	**74**	2,604
91 to 180 days	**86**	32
Over 180 days	**–**	–
	160	2,636

According to the credit rating of different customers, the Group allows average credit term of 90 days to its customers. Trade receivables disclosed above include amounts which are past due at the end of the reporting period for which the Group has not recognised an allowance for doubtful debts because there has not been a significant change in credit quality and the amounts are still considered recoverable. The Group does not hold any collateral over these balances. The Directors consider that these balances are fully recoverable.

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

No allowance for expected credit losses has been recognised for trade receivables during the six months ended 30 June 2023 (2022: HK$453,000).

13. CONTRACT ASSETS

	30 June 2023 *HK$'000* **(Unaudited)**	31 December 2022 *HK$'000* (Audited)
Unbilled receivables *(Note)*	**2,530**	2,027
Less: Allowance for expected credit losses	**(66)**	(6)
Total unbilled receivables, net of allowance for expected credit losses	**2,464**	2,021

Note:

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

Net allowance for expected credit losses of approximately HK$55,000 has been recognised for contract assets during the six months ended 30 June 2023 (2022: nil).

14. TRADE AND OTHER PAYABLES

	30 June 2023	31 December 2022
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Trade payables	**80**	2,738
Accrued expenses	**420**	1,800
Receipt in advance	**10,060**	–
Interest payables	**–**	4,584
Other payables	**275**	411
	10,835	9,533

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

	30 June 2023	31 December 2022
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
0 to 90 days	**–**	2,504
91 to 180 days	**–**	–
181 to 365 days	**–**	–
Over 365 days	**80**	234
	80	2,738

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

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

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

After the Chinese central government lifted the COVID-19-related restrictions in December 2022, the Group is glad to see there is a rebound in the Weldtech Group's business in the first half of 2023 compared to the same period in 2022.

During the six months ended 30 June 2023, the Group recorded an unaudited revenue of approximately HK$15,377,000, representing an increase of approximately 766% as compared with approximately HK$1,776,000 for the last corresponding period. An unaudited loss attributable to the owners of the Company of approximately HK$6,186,000 (2022: loss of approximately HK$8,500,000) was recorded which was mainly attributable to: (i) net allowance for expected credit losses on trade and finance lease receivables of approximately HK$432,000 (2022: approximately HK$1,330,000); and (ii) finance costs of approximately HK$645,000 (2022: approximately HK$2,054,000) which included the interest expense of approximately HK$630,000 (2022: approximately HK$2,048,000) on other borrowings raised for project financing of the Group. For the Period, the administrative expenses increased by approximately HK$833,000 as compared to the corresponding period in 2022 which was mainly due to the net effect of an increase in legal and professional fee in relation to collection of outstanding receivables.

Energy saving solutions business

The Company's 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**"). Weldtech Group is also engaged in green energy and building related construction and modification businesses.

Regarding the design and provision of energy saving solutions, Weldtech Group has benefited from the improved market condition in the first half of 2023, it recorded an unaudited revenue of approximately HK$15,377,000, representing an increase of approximately 766% in the first six months of 2023 when compared to the last corresponding period.

A segment loss of approximately HK$3,092,000 was recorded for the six months ended 30 June 2023 (2022: loss of approximately HK$5,858,000). The segment loss was mainly attributable to: (i) net allowance for expected credit losses on trade and finance lease receivables of approximately HK$432,000 (2022: approximately HK$1,330,000); and (ii) interest expenses on other borrowings of approximately HK$630,000 (2022: approximately HK$2,048,000).

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 in the first half of 2023. 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 30 June 2023, the total assets decreased to approximately HK$52,699,000 (31 December 2022: approximately HK$60,171,000).

As at 30 June 2023, the Group held finance lease receivables amounting to approximately HK$12,367,000 (31 December 2022: approximately HK$14,324,000).

As at 30 June 2023, total liabilities decreased to approximately HK$11,115,000 (31 December 2022: approximately HK$40,726,000). The total liabilities mainly represented the trade and other payables of approximately HK$10,835,000 (31 December 2022: approximately HK$9,533,000) and other borrowings of approximately HK$Nil (31 December 2022: approximately HK$22,374,000).

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

During the six months ended 30 June 2023, the Group finances its operations by internally generated cashflows and other borrowings. As at 30 June 2023, the Group has net current assets of approximately HK$30,954,000 (31 December 2022: net current assets of approximately HK$8,035,000). As at 30 June 2023, the Group's cash and bank balances amounted to approximately HK$26,653,000 (31 December 2022: approximately HK$26,985,000).

As at 30 June 2023, the Group has net cash of approximately HK$26,373,000 (31 December 2022: HK$4,611,000), therefore, the gearing ratio is not applicable as at 30 June 2023 and 31 December 2022. The gearing ratio of the Group as at 31 December 2021, which is calculated as net debt (as calculated as other borrowings less cash and bank balances) divided by total capital (as calculated by total equity plus net debts) was 10.4%.

As at 30 June 2023, the Group has no other borrowings (31 December 2022: approximately HK$22,374,000).

The share capital of the Group only comprises of ordinary shares. As at 30 June 2023, the Company's number of issued ordinary shares was 941,995,663 ("**Share(s)**") (31 December 2022: 627,997,089 Shares).

CAPITAL COMMITMENT

As at 30 June 2023, the Group had capital commitments, which were contracted but not provided for, in respect of construction contract of approximately HK$712,000 (31 December 2022: approximately HK$954,000).

FOREIGN CURRENCY EXPOSURE

The Group conducts its business transactions mainly in the PRC and Hong Kong. The Group's assets were mainly denominated in Renminbi ("**RMB**") and Hong Kong Dollars ("**HK$**"). HK$ is the Group's presentation currency. During the period under review, the revenue, cost of operations and operating expenses of the Group are mainly denominated in RMB. 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.

CONTINGENT LIABILITIES

As at 30 June 2023, the Group did not have any significant contingent liabilities (31 December 2022: Nil).

MATERIAL INVESTMENTS, ACQUISITION AND DISPOSALS

On 27 April 2023, the Group entered into the Sale and Purchase Agreement with an independent third party to dispose of its entire equity interest in CCIAM Coating Company Limited (信能塗膜有限公司). The disposal was completed on 27 April 2023.

Save as disclosed elsewhere in this announcement, there were no material investments, acquisitions or disposals of subsidiaries during the six months ended 30 June 2023.

CHARGES OVER ASSETS

The Group had no pledged assets, including pledged deposits as at 30 June 2023 (31 December 2022: Nil)

STAFF AND REMUNERATION

As at 30 June 2023, the Group had 15 (2022: 19) employees and total staff costs incurred during the period under review amounted to approximately HK$2,801,000 (2022: approximately HK$3,352,000). The Group offers competitive remuneration packages to its employees. Other benefits include share options granted or to be granted under the share option scheme of the Company.

FINANCIAL KEY PERFORMANCE INDICATORS

The Group's net asset value is a key indicator of the financial performance and it increased to approximately HK$41,584,000 as at 30 June 2023 (31 December 2022: approximately HK$19,445,000). During the six months ended 30 June 2023, the Group recorded a loss attributable to the owners of the Company of approximately HK$6,186,000 (2022: loss of approximately HK$8,500,000). The net asset value per share was HK$0.044 (31 December 2022: HK$0.031), which was calculated on the above net assets value and the Company's number of 941,996,000 issued ordinary shares as at 30 June 2023 (31 December 2022: 627,997,000 Shares).

USE OF PROCEEDS

The placing of new shares under general mandate (the "2022 Placing") on 13 October 2022

On 5 September 2022, the Company entered into the placing agreement with the placing agent, pursuant to which the Company agreed to place through the placing agent, on a best-effort basis, up to 104,666,181 new Shares to not less than six independent placees at the placing price of HK$0.238 per placing Share.

On 13 October 2022, all the conditions set out in the placing agreement had been fulfilled and the completion of the placing took place on 13 October 2022. An aggregate of 104,666,181 new Shares had been successfully placed by the placing agent to not less than six placees at the placing price of HK$0.238 per placing Share pursuant to the terms and conditions of the placing agreement. The net proceeds from the placing were approximately HK$24,000,000, which the Company intended to apply the net proceeds (i) for repayment of current liabilities; and (ii) for general working capital of the Group, including but not limited to existing and new energy saving projects, possible investment, administrative expenses and salary and wages. The utilisation of the net proceeds from the placing of new Shares was summarised as follows:

	Allocation of net proceeds	**Amount utilised up to 30 June 2023**	**Balance as at 30 June 2023**
	HK$'000	***HK$'000***	***HK$'000***
Repayment of current liabilities	**12,000**	**(12,000)**	**–**
General working capital of the Group	**12,000**	**(12,000)**	**–**
	24,000	**(24,000)**	**–**

For further details, please refer to the announcements of the Company dated 5 September 2022, 29 September 2022 and 13 October 2022.

The rights issue completed on 16 January 2023 (the "2023 Rights Issue")

On 28 November 2022, the Company entered into the underwriting agreement with the underwriter for the proposed rights issue of not less than 313,998,544 rights shares (the "**Rights Share(s)**") at the subscription price of HK$0.10 per Rights Share on the basis of one (1) Rights Share for every two (2) existing Shares in issue (the "**Rights Issue**"). The Rights Issue transaction had been completed on 16 January 2023, and an aggregate of 313,998,544 new shares had been allotted and issued by the Company. As at 27 March 2023, the Company's number of issued ordinary shares was 941,995,663.

The gross proceeds from the Rights Issue were approximately HK$31,400,000. The net proceeds from the Rights Issue, after deducting professional fees and all other relevant expenses, were approximately HK$29,200,000. The net proceeds from the Rights Issue were intended to be used (i) approximately HK$17,500,000 for repayment of the outstanding borrowings; (ii) approximately HK$8,000,000 for existing and new energy saving projects; and (iii) the remaining amount for general working capital of the Group. The utilisation of the net proceeds from the Rights Issue was summarised as follows:

	Allocation of net proceeds *HK$'000*	**Amount utilised up to 30 June 2023** *HK$'000*	**Balance as at 30 June 2023** *HK$'000*
Repayment of the outstanding borrowings	**17,500**	**(17,500)**	**–**
Existing and new energy saving projects	**8,000**	**(8,000)**	**–**
General working capital of the Group	**3,700**	**(3,200)**	**500**
	29,200	**(28,700)**	**500**

Details of the Rights Issue were set out in the announcements of the Company dated 28 November 2022, 20 December 2022 and 13 January 2023 and the prospectus of the Company dated 20 December 2022.

It is expected that the balance of net proceeds of approximately HK$500,000 as intended for general working capital of the Group will be utilised by the end of December 2023.

EVENTS AFTER REPORTING PERIOD

The placing of new shares under general mandate (the "2023 Placing") on 7 June 2023

On 7 June 2023 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Company has conditionally agreed to place, through the Placing Agent, on a best efforts basis, up to 188,288,000 Placing Shares to not less than six independent Placees at the Placing Price of HK$0.04 per Placing Share.

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

	Allocation of net proceeds *HK$'000*	**Amount utilised up to 31 July 2023** *HK$'000*	**Balance as at 31 July 2023** *HK$'000*
General working capital of the Group	**7,080**	**–**	**7,080**

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

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2023 (2022: Nil).

OUTLOOK AND PROSPECT

After the Chinese central government eased the COVID-19-related restrictions, the Group sees rebounds in the construction industry and expects the overall market condition will continue to slowly recover in the second half of 2023.

Going forward, the Group will continue to focus on capturing new businesses in green energy sectors, including reusable energy projects and related implementation, materials procurement, sales, and solutions.

The Group is also actively seeking and capturing market opportunities to expand the Group's network in different sectors in the PRC and outside the PRC, if appropriate.

However, as the PRC real estate sector is currently under stress, the Group believes it may impact the PRC construction sector in the second half of 2023. Since construction companies are the major customers of Weldtech Group, any withholding or delay in construction works will adversely affect the number of potential new contracts to be available in the market, and lower Weldtech Group's profit margin for projects.

On the other hand, as the economy gradually recovers, the Group will also cautiously seek appropriate opportunities to restart the loan financing and property mortgage businesses, if appropriate.

In terms of getting new capital to develop the Group's businesses, the management team will continue to explore various funding sources, including project financing, debt financing, and equity fundraising, to support the Group's financial needs.

The management of the Group is cautiously optimistic that the Group's businesses will improve as 2023 progresses, and the Group will continue to focus on completing new orders to sustain the business and strengthen the bottom line 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 securities during the six months ended 30 June 2023.

CORPORATE GOVERNANCE

During the six months ended 30 June 2023 and up to date of this announcement, the Company applied the principles of and complied with the code provisions of the Corporate Governance Code (the "**CG Code**") contained in Appendix 14 to the Listing Rules, except for the following deviations:

Under code provision A.2.1 of the CG Code, the roles of chairman (the "**Chairman**") and chief executive ("**CE**") should be separate and should not be performed by the same individual. The Company did not appoint any chairman or CE during the period under review, reason being the functions of the chairman and CE are performed by the executive Directors collectively. The Board will review the current practice from time to time and make appropriate changes if considered necessary. For details, please refer to the section headed "Chairman and Chief Executive Officer".

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. Certain Directors were unable to attend the annual general meeting of the Company held on 2 June 2023 due to other important business engagement.

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 period under review.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

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

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

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

AUDIT COMMITTEE REVIEW

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters including the review of the unaudited interim financial statements for the six months ended 30 June 2023. The Audit Committee has approved the unaudited interim financial statements.

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

Hong Kong, 24 August 2023

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