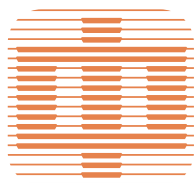


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CHAMPION TECHNOLOGY HOLDINGS LIMITED

冠軍科技集團有限公司

(Continued in Bermuda with limited liability)

(Stock Code: 92)

VOLUNTARY ANNOUNCEMENT BUSINESS UPDATE

This announcement is made by Champion Technology Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis.

As mentioned in the results announcement of the Company for the year ended 30 June 2023, the Group recorded revenue of approximately HK\$12.2 million and HK\$12.3 million, respectively from the “Technology — Smart City Solution” (formerly named as “Technology — Sales of surveillance equipment” in prior financial year) and the “Technology — Renewable Energy” segments. Following the release of the Group’s results for the year ended 30 June 2023, the board (the “**Board**”) of directors (the “**Directors**”) of the Company would like to provide further updates to its shareholders (the “**Shareholders**”) and potential investors on the technology business of the Group.

With the outbreak of COVID-19 pandemic, compulsory quarantine requirement for inbound persons from overseas places and local social distancing measures imposed by the government of the People’s Republic of China (the “**PRC**”), most of the commercial activities were in the doldrums during the period from January 2020 to December 2022. As seen in all kinds of business and all walks of life, it takes time to conquer numerous problems and revitalize any business after the pandemic.

The Group has immediately pitched in with its previous business plans since November 2022 as soon as a glimmer of hope was seen, in expanding its IoT business which, by definition, includes smart city solutions. Two smart construction site contracts with a total contract sum in excess of HK\$12 million were secured in December 2022 and January 2023. This, together with the business growth illustrated below has demonstrated the determination and ability of the Group’s management in putting the Group on the fast track to revitalizing its business in the present difficult business environment.

SMART CITY SOLUTION BUSINESS

Despite the disposal of Kantone Holdings Limited during the year ended 30 June 2022 and the impact of the COVID-19 pandemic, the Group has been maintaining its momentum in developing its smart city products and solutions, which can be customised for use by customers in different industries. The Group has been actively seeking new opportunities to expand its Smart City Solution Business. In July 2023, the Group entered into two service contracts with two state-owned enterprises located in

Lanzhou, Gansu Province, the PRC (collectively, the “**Lanzhou Projects**”). Under the Lanzhou Projects, the Group shall design and install computing platforms with the application of an artificial intelligence (“**AI**”) model, education cloud platforms and the related infrastructure (including hardware and software) for colleges in Lanzhou. The contract sums under the Lanzhou Projects amount to approximately RMB139 million (excluding VAT). On-site work of the Lanzhou Projects is expected to commence in October 2023 and the Lanzhou Projects are expected to be completed by stages with full completion in February 2024.

In addition, the Group is currently in negotiation with other potential customers in the PRC for providing Smart City Solution with total contract sum of not less than RMB500 million, of which RMB200 million is expected to materialize before 30 June 2024.

As an extension of the Group in providing Smart City Solution to its construction site customers, the Lanzhou Projects demonstrate the Group’s ability in providing a total technology solution to other customers by integrating the Group’s technological expertise in AI, big data and machine learning. The Directors are confident that the viability and sustainability of Smart City Solution Business are expected to be substantially enhanced in the foreseeable future.

RENEWABLE ENERGY BUSINESS

Since 2018, the Group has been proactively investing substantial resources in the research and development of solar photovoltaic (“**SPV**”) technology products. The revenue generated from the sale of SPV systems remained stable for the years ended 30 June 2021, 2022 and 2023. This was due to prospective customers not purchasing as many SPV systems from the Group as expected, which was attributable to (i) the cancellation of projects by the Group’s customers due to COVID-19 pandemic; (ii) the new government policy with effect from 27 April 2022 which reduced the Renewable Energy Feed-in Tariff (“**FiT**”) rates that SPV owners would earn by 16.7% to 25%, discouraging customers to proceed with their orders; and (iii) the cost of SPV system equipment incurred by the customers has been increasing due to the global shortage of silicon and the increasing demand for SPV systems in other parts of the world such as Europe where energy prices are soaring.

Nonetheless, the Group’s Renewable Energy Business has also been showing promising development after the lifting of COVID-19 social gathering ban since January 2023 with two substantial contracts signed. A HK\$12 million contract was signed in February 2023 to design and construct a SPV system in a mega movie studio, and the revenue generated would span over the fiscal years of 2023 and 2024. In September 2023, the Group entered into another design, supply and installation agreement (the “**Design, Supply and Installation Agreement**”) with a contract sum of HK\$50 million for the design, supply and installation of SPV system for the FiT Scheme at a leading local university. This provides a sustainable source of revenue for the Group and the Renewable Energy Business of the Group is expected to continue to expand.

Technology has always been the backbone of the Group's business since the listing of its shares on The Stock Exchange of Hong Kong Limited in 1992. It is expected that these two segments will continue to grow and contribute to the revenue and profits of the Group for the years to come.

Further announcement(s) will be made by the Group on the progress of its business, if and when appropriate.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
CHAMPION TECHNOLOGY HOLDINGS LIMITED
Wong Man Winny
Chairperson

Hong Kong, 9 October 2023

As at the date of this announcement, the executive director 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.