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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)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agents



結好證券有限公司
GET NICE SECURITIES LIMITED



富中證券
FORTUNE ORIGIN SECURITIES

On 27 June 2024, after trading hours, 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 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 is conditional upon the Stock Exchange agreeing to grant a listing of and permission to deal in the Placing Shares. An application will be made by the Company to the Listing Committee for the listing of, and permission to deal in, the Placing Shares.

The Placing Shares will be allotted and issued pursuant to the General Mandate.

Assuming that the maximum number of the 136,764,000 Placing Shares are placed under the Placing, the net proceeds to be received by the Company, after deducting placing commission and other fees and expenses, will amount to approximately HK\$21.0 million. The Company intends to use approximately HK\$6.0 million of the net proceeds for general working capital of the Group, HK\$10.0 million as working capital specifically for renewable energy business and data centers, and the remaining HK\$5.0 million for investment in the green and/or renewable energy sectors should the opportunities arise.

Completion of the Placing is subject to fulfillment of a number of conditions, the Placing may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the securities of the Company.

PLACING AGREEMENTS

On 27 June 2024, after trading hours, the Company and the Placing Agents entered into the Placing Agreements for the Placing of new Shares to be issued by the Company to not less than six Placées upon the terms and subject to the conditions set out in the Placing Agreements.

The principal terms of the Placing Agreements are set out below:

Date

27 June 2024 (after trading hours)

Parties

Placing Agreement I: (1) the Company, as issuer
(2) Get Nice Securities Limited, as Placing Agent I

Placing Agreement II: (1) the Company, as issuer
(2) Fortune Origin Securities Limited, as Placing Agent II

Number of Placing Shares

Pursuant to the Placing Agreements, Placing Agent I and Placing Agent II have agreed to place, on a best effort basis, 68,400,000 new Shares and 68,364,000 new Shares respectively, which, having an aggregate nominal value of HK\$1,367,640, represent (i) approximately 20.00% of the existing issued share capital of the Company; and (ii) approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares (assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the completion of the Placing).

Placing price

The Placing Price of HK\$0.175 per Placing Share 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.

This Placing Price was agreed after arm's length negotiations between the Company and the Placing Agents with reference to recent market prices of the Shares.

The net Placing Price, after deducting placing commission and other fees and expenses, is estimated to be approximately HK\$0.154 per Placing Share.

Placing Agents

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, each of the Placing Agents and their respective ultimate beneficial owners are independent of and not connected with the Company and its connected persons (as defined in the Listing Rules).

Placees

It is expected that the Placing Shares will be placed to not less than six Placees who are professional, institutional or other investors. The Placees (and, where relevant, their ultimate beneficial owners) shall be independent of and not connected or acting in concert (as defined in the Takeovers Code) with any connected person of the Company or its subsidiaries. It is expected that none of the Placees will become a substantial shareholder (as defined in the Listing Rules) of the Company immediately upon completion of the Placing.

Rights and ranking of the Placing Shares

The Placing Shares, when issued and fully paid, will rank equally in all respects among themselves and with all other Shares in issue as at the date of completion of the Placing.

Conditions precedent to completion of the Placing

The Placing is conditional upon (i) the Listing Committee granting the approval for the listing of and permission to deal in the Placing Shares; and (ii) all necessary consents and approvals to be obtained on the part of each of the Placing Agents and the Company in respect of the Placing Agreements and the transactions contemplated thereunder having been obtained.

In the event the above conditions have not been fulfilled and/or waived (other than condition (i) which cannot be waived) on or before 21 Calendar days after the date of the Placing Agreements (or such later date as the Placing Agents and the Company shall agree in writing), all rights, obligations and liabilities of the parties to the Placing Agreements in relation to the Placing shall cease and determine and neither of the parties shall have any claim against the other in respect of any matter or thing arising out of or in connection with the Placing Agreements, save for any antecedent breaches under the Placing Agreements prior to such termination.

Completion of the Placing

Completion of the Placing under each of the Placing Agreements shall be conditional upon the satisfaction of the conditions precedent (or waived as the case may be) and the completion of each of the Placing Agreements and shall take place on the Completion Date.

Further announcement will be made by the Company upon completion of the Placing.

Completion of the Placing is subject to fulfillment of a number of conditions, the Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

Termination of the Placing Agreements

Under each of the Placing Agreements, the Placing Agent may terminate the Placing Agreement by notice in writing given to the Company at any time prior to 9:00 a.m. on the Completion Date upon the occurrence of the following events which, in the absolute opinion of the Placing Agent, has or may have a material adverse effect on the success of the Placing:

- (i) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before and/or after the date of the Placing Agreement) of a political, military, financial, economic, currency (including a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America) or other nature (whether or not sui generis with any of the foregoing), or in the nature of any local, national, international outbreak or escalation of hostilities or armed conflict, or affecting local securities market or the occurrence of any combination of circumstances which may, in the Placing Agent's absolute opinion, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or adversely prejudices the success of the Placing by potential investor(s) or otherwise makes it inexpedient or inadvisable for the Company or the Placing Agent to proceed with the Placing; or
- (ii) the introduction of any new laws or regulations or any change in existing laws or regulations (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may, in the Placing Agent's absolute opinion, may materially and adversely affect the business or financial or trading position or prospects of the Group as a whole; or
- (iii) any change in market conditions or combination of circumstances in Hong Kong (including without limitation suspension or material restriction or trading in securities) occurs which affect the success of the Placing (such success being the Placing to potential investor(s)) or otherwise in the absolute opinion of the Placing Agent makes it inexpedient or inadvisable or inappropriate for the Company or the Placing Agent to proceed with the Placing; or
- (iv) the Company commits any material breach of or omits to observe any of the obligations or undertakings expressed or assumed under the Placing Agreement; or

- (v) any suspension in the trading of the Shares on the Stock Exchange for more than ten consecutive trading days; or
- (vi) any litigation or claim being instigated against any member of the Group, which has or may have an adverse effect on the business or financial position of the Group and which in the Placing Agent's absolute opinion would adversely affect the success of the Placing; or
- (vii) any material adverse change in the business or in the financial or trading position or prospects of the Group as a whole; or
- (viii) the Placing Agent becomes aware that any of the representations and warranties in the Placing Agreements were, when given, untrue or inaccurate or would in any respect be untrue or inaccurate if repeated, the Placing Agent shall determine whether such untrue representation or warranty represents or is likely to represent a material adverse change in the financial or trading position or prospects of the Group taken as a whole, or will otherwise likely to have a material prejudicial effect on the Placing.

If notice is given according to the relevant Placing Agreement, the relevant Placing Agreement shall terminate and be of no further effect and neither party shall be under any liability to the other party in respect of the relevant Placing Agreement, save for any antecedent breach under the relevant Placing Agreement prior to such termination.

GENERAL

Mandate to allot and issue new Shares

The Company is authorised to allot and issue up to 136,766,169 new Shares under the General Mandate granted by the Shareholders at the annual general meeting of the Company held on 20 December 2023. Up to the date of this announcement, the Company has not utilised the General Mandate. As the Placing Shares will be issued under the General Mandate, the Placing is not subject to Shareholders' approval.

Application for listing

Application will be made to the Listing Committee for the listing of, and permission to deal in, the Placing Shares.

INFORMATION OF THE GROUP

The Company is a company continued in Bermuda with limited liability and is an investment holding company operating its business through its subsidiaries. The Group is principally engaged in the system design and sales of renewable energy systems and the related engineering work, software development, licensing and customization, of system products including Internet of Things which, in turn, includes smart city and data center, trading of cultural products and strategic investment.

REASONS FOR THE PLACING AND USE OF PROCEEDS

The Directors consider that the Placing would enhance the working capital and equip itself with enhanced financial capability and flexibility for the business development of the Company. The Directors (including the independent non-executive Directors) consider the terms of the Placing Agreements (including the Placing Price) are on normal commercial terms that are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Assuming that the Placing Shares are fully placed under the Placing:

- (i) the gross proceeds from the Placing are estimated to be approximately HK\$24.0 million; and
- (ii) the net proceeds, after deducting related placing commission, professional fees and all related expenses, are estimated to be approximately HK\$21.0 million.

The Group has been keen on contributing to green and renewable energy in the past seven years. With this mission in mind, the management identified and acquired an enterprise called 廣東創之榮科技有限公司 (Innovative Ecoglority Technology Company Limited*) which has invented a system (the “**Gas Generation System**”) that is able to produce a new kind of high thermal energy gas compound comprising hydrogen, oxygen and other combustible gas in its laboratory at a low cost. A small factory is being set up at the moment and the first two sets of Gas Generation Systems are expected to be delivered during the quarter ending 30 September 2024. Depending on the performance of these new systems, the Group may continue to invest in this business in order to enhance the Group’s profitability. As such, the Company intends to use approximately HK\$6.0 million of the net proceeds for general working capital of the Group, HK\$10.0 million as working capital specifically for renewable energy business and data centers, and the remaining HK\$5.0 million for investment in the green and/or renewable energy sectors should the opportunities arise.

FUND RAISING ACTIVITIES IN THE PAST 12 MONTHS

The Company has not conducted any equity fund raising activities in the past 12 months from the date of this announcement.

CHANGES TO SHAREHOLDING AS A RESULT OF THE PLACING

Set out below is the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after completion of the Placing, assuming that the Placing Shares are fully placed under the Placing and there being no other change in the share capital and shareholding structure of the Company from the date of this announcement:

	As at the date of this announcement		Immediately after completion of the Placing	
	No. of Shares	%	No. of Shares	%
Worldwide Peace Limited (<i>Note 1</i>)	110,589,750	16.17	110,589,750	13.48
Mr. Liu Ka Lim (<i>Note 2</i>)	498,000	0.07	498,000	0.06
Placees	—	—	136,764,000	16.67
Other public shareholders	<u>572,743,098</u>	<u>83.76</u>	<u>572,743,098</u>	<u>69.7</u>
Total:	<u>683,830,848</u>	<u>100.00</u>	<u>820,594,848</u>	<u>100.00</u>

Notes:

1. As at the date of this announcement, Worldwide Peace Limited is wholly-owned by Ms. Wong Man Winny, the chairperson of the Board and the executive Director.
2. Mr. Liu Ka Lim is a non-executive Director.

TERMS USED IN THIS ANNOUNCEMENT

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Board”	the board of Directors
“Business Day”	means a day (excluding Saturday, Sunday and any public holidays) on which licensed banks in Hong Kong are open for business throughout their normal business hours
“Company”	Champion Technology Holdings Limited, a company continued in Bermuda with limited liability and the issued Shares of which are listed on the Main Board of the Stock Exchange
“Completion Date”	the date falling on the fourth Business Day after the fulfillment of all the conditions specified in the Placing Agreements (or such later date as the Placing Agents and the Company may agree in writing)
“connected person(s)”	having the meaning ascribed thereto in the Listing Rules

“Director(s)”	the director(s) of the Company
“General Mandate”	the general mandate granted to the Directors to allot, issue and deal in not more than 136,766,169 new Shares by the Shareholders at the annual general meeting of the Company held on 20 December 2023
“Group”	the Company and its subsidiaries for the time being
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Last Trading Day”	27 June 2024, being the date of the Placing Agreements
“Listing Committee”	the listing committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placee(s)”	any person or entity or any of their respective subsidiaries or associates procured by the Placing Agents or their agent(s) to subscribe for any of the Placing Shares
“Placing”	the placing of the Placing Shares upon the terms and subject to the conditions set out in the Placing Agreements
“Placing Agent(s)”	the Placing Agent I and/or the Placing Agent II
“Placing Agent I”	Get Nice Securities Limited, a licensed corporation to carry out type 1 (dealing in securities), type 4 (advising on Securities), type 6 (Advising on Corporate Finance) and type 9 (asset management) regulated activities within the meaning of the SFO
“Placing Agent II”	Fortune Origin Securities Limited, a licensed corporation to carry out type 1 (dealing in securities), type 4 (advising on Securities), type 6 (Advising on Corporate Finance) and type 9 (asset management) regulated activities within the meaning of the SFO
“Placing Agreement(s)”	the Placing Agreement I and/or the Placing Agreement II
“Placing Agreement I”	the placing agreement dated 27 June 2024 entered into between the Company and the Placing Agent I in relation to the placing of up to 68,400,000 Shares

“Placing Agreement II”	the placing agreement dated 27 June 2024 entered into between the Company and the Placing Agent II in relation to the placing of up to 68,364,000 Shares
“Placing Price”	HK\$0.175 per Placing Share
“Placing Shares”	up to a total of 136,764,000 new Shares to be placed under the Placing
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	ordinary share(s) of HK\$0.01 in the capital of the Company
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“%”	per cent.

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

Hong Kong, 27 June 2024

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

* *For identification purpose only.*