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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 Agent



On 7 January 2025, after trading hours, the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Placing Agent has agreed to place, on a best effort basis, 164,112,000 Placing Shares to not less than six Placees at the Placing Price of HK\$0.245 per Placing Share upon the terms and subject to the conditions set out in the Placing Agreement.

The Placing Price represents (i) a discount of approximately 16.95% to the closing price of HK\$0.295 per Share as quoted on the Stock Exchange on 7 January 2025, being the date of the Placing Agreement; (ii) a discount of approximately 14.63% to the average closing price of HK\$0.2870 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 15.95% to the average closing price of HK\$0.2915 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 164,112,000 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\$38.5 million. The Company intends to use the net proceeds as working capital specifically for the Green Energy Business of the Group.

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 AGREEMENT

On 7 January 2025, after trading hours, the Company and the Placing Agent entered into the Placing Agreement for the Placing of new Shares to be issued by the Company to not less than six Placees upon the terms and subject to the conditions set out in the Placing Agreement.

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

Date 7 January 2025

Parties the Company, as issuer; and
Kingston Securities Limited, as Placing Agent

Number of Placing Shares

Pursuant to the Placing Agreement, Placing Agent has agreed to place, on a best effort basis, 164,112,000 new Shares, which, having a nominal value of HK\$0.01, 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\$0.245 per Placing Share represents:

- (i) a discount of approximately 16.95% to the closing price of HK\$0.295 per Share as quoted on the Stock Exchange on 7 January 2025, being the date of the Placing Agreement;
- (ii) a discount of approximately 14.63% to the average closing price of HK\$0.2870 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 15.95% to the average closing price of HK\$0.2915 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 Price was agreed after arm's length negotiations between the Company and the Placing Agent with reference to prevailing market prices of the Shares.

The net Placing Price, after deducting placing commission and other fees and expenses, is estimated to be approximately HK\$0.235 per Placing Share.

Placing Agent

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owner 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 *pari passu* in all respects among themselves and with the existing Shares in issue and be free from all liens, charges, encumbrances and third-party rights together with all rights attaching thereto as at the Completion Date, including but not limited to the rights to receive all future dividends and other distributions thereafter declared, made or paid.

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 the Placing Agent and the Company in respect of the Placing Agreement 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 the Long Stop Date, all rights, obligations and liabilities of the parties to the Placing Agreement in relation to the Placing shall cease and terminate and neither of the parties shall have any claim against the other, save for any antecedent breaches.

Completion of the Placing

Completion of the Placing under the Placing Agreement shall be conditional upon the satisfaction of the conditions precedent (or waived as the case may be) and the completion of the Placing Agreement 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 Agreement

Pursuant to the Placing Agreement, the Placing Agent is entitled to terminate the arrangements set out in the Placing Agreement by notice in writing prior to 9:00 a.m. on the Completion Date, if in its absolute opinion, the success of the Placing would be materially and adversely affected by any of the following force majeure events:

- (i) 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 absolute opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
- (ii) 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 absolute opinion of the Placing Agent, 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 of the Shares by potential investor(s) or otherwise makes it inexpedient or inadvisable for the Company or the Placing Agent to proceed with the Placing; 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 of the Shares 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.

Pursuant to the Placing Agreement, if, at or prior to 9:00 a.m. on the Completion Date,

- (i) 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
- (ii) any suspension in the trading of the Shares on the Stock Exchange for more than ten consecutive trading days; or
- (iii) the Placing Agent becomes aware that any of the representations or warranties contained in the Placing Agreement was, 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, or

- (iv) 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
- (v) any material adverse change in the business or in the financial or trading position or prospects of the Group as a whole

the Placing Agent shall be entitled (but not bound) by notice in writing to the Company to elect to treat such matter or event as releasing and discharging the Placing Agent from its obligations under the Placing Agreement.

If notice is given pursuant to the Placing Agreement, the 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 Placing Agreement, save for any antecedent breach under the Placing Agreement prior to such termination.

GENERAL

Mandate to allot and issue new Shares

The Company is authorised to allot and issue up to 164,118,969 new Shares under the General Mandate granted by the Shareholders at the annual general meeting of the Company held on 23 December 2024. 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\$40.2 million; and
- (ii) the net proceeds, after deducting related placing commission, professional fees and all related expenses, are estimated to be approximately HK\$38.5 million.

Since June 2024, the Group has been seeking to replace fossil fuel energy business with new green energy business (the “**Green Energy Business**”). In August 2024, the Group successfully secured official validation of its technology from authoritative government examination bodies in the PRC, paving the way for the inaugural trial production of the Group’s oxyhydrogen gas system (“**Oxyhydrogen Gas System**”) with the Group’s self-developed cold nuclear fusion technology, which is an alternative fuel for heat and power generation. The first Oxyhydrogen Gas System was delivered to a customer in Guangzhou, where it commenced production of oxyhydrogen gas in September 2024 via the trial use of the Oxyhydrogen Gas System, enabling this enterprise in implementing a production model centered on energy efficiency and emissions reduction. Based on the testing results witnessed by an internationally recognized testing authority on the Oxyhydrogen Gas System, these testing results also signify a crucial step forward in the Group’s advancement within the field of new green energy, indicating the generation of highly efficient energy at a very low cost. Therefore, the management considers that the Green Energy Business will generate attractive profits for the Group in the foreseeable future. As such, the Company intends to use the net proceeds as working capital specifically for the Green Energy Business of the Group.

FUND RAISING ACTIVITIES IN THE PAST 12 MONTHS

The following is the equity fund raising activity conducted by the Company in the past 12 months immediately preceding the date of this announcement:

| Date of completion | Fund raising activity | Net proceeds raised | Intended use of proceeds | Actual use of proceeds |
|--------------------|---|------------------------------|---|------------------------|
| 19 July 2024 | Placing of 136,764,000 new Shares under general mandate | Approximately HK\$23 million | General working capital and/or potential investments to be identified | Used as intended |

Save for the above, 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 | |
|---|--|---------------|---|---------------|
| | <i>No. of Shares</i> | <i>%</i> | <i>No. of Shares</i> | <i>%</i> |
| Worldwide Peace Limited (<i>Note 1</i>) | 110,589,750 | 13.48 | 110,589,750 | 11.23 |
| Mr. Liu Ka Lim (<i>Note 2</i>) | 498,000 | 0.06 | 498,000 | 0.05 |
| Placees | — | — | 164,112,000 | 16.67 |
| Other public shareholders | <u>709,507,098</u> | <u>86.46</u> | <u>709,507,098</u> | <u>72.05</u> |
| Total | <u>820,594,848</u> | <u>100.00</u> | <u>984,706,848</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.

DEFINITIONS

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 generally 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 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 |

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|---------------------|---|
| “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 164,118,969 by the Shareholders at the annual general meeting of the Company held on 23 December 2024 |
| “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” | 7 January 2025, being the date of the Placing Agreement |
| “Listing Committee” | the listing committee of the Stock Exchange |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “Long Stop Date” | 27 January 2025 (or such later date as the Placing Agent and the Company shall agree in writing) |
| “Placee(s)” | the independent professional, institutional or other investors or any of their respective subsidiaries or associates procured by the Placing Agent 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 Agreement |
| “Placing Agent” | Kingston Securities Limited, a licensed corporation to carry out Type 1 (dealing in securities) regulated activity under the SFO |
| “Placing Agreement” | the placing agreement dated 7 January 2025 entered into between the Company and the Placing Agent in relation to the placing of up to 164,112,000 Shares |
| “Placing Price” | HK\$0.245 per Placing Share |
| “Placing Shares” | up to a total of 164,112,000 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, 7 January 2025

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