CHAMPION TECHNOLOGY HOLDINGS LIMITED

冠軍科技集團有限公司

(Continued in Bermuda with limited liability)

(Stock Code: 92)

PROFIT WARNING

This announcement is made by Champion Technology Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**Listing Rules**") and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (the "**Board**") of the Company hereby informs the shareholders of the Company and potential investors that, based on the currently available unaudited consolidated management accounts of the Group for the six months ended 31 December 2024 and other information currently available to the Board, the Group is expected to record a loss attributable to shareholders (before taking into account of other comprehensive income & expenses) ranging from approximately HK$20 million to 23 million, as compared with a profit attributable to shareholders of approximately HK50 million (before taking into account of other comprehensive income & expenses) for the six months ended 31 December 2023. The recognition of a loss attributable to shareholders for the six months ended 31 December 2024 was primarily attributed to (i) the substantial decrease in revenue and operating results from smart city solution business segment, which had become significantly stagnant due to the shortage of supply of crucial chips and systems as a result geopolitical sanctions and; (ii) the substantial decrease in revenue and operating results from renewable energy business segment following the government's assertion that the Feed-in-tariff subsidy program would most unlikely be extended beyond the year 2033, which had discouraged investors of renewable energy in making further investment in Solar Photovoltaic Systems in Hong Kong; and (iii) the one-off gain recorded from the disposal of interest in a hotel located in Dongguan for the six months ended 31 December 2023 is non-recurring in nature.

Despite a loss attributable to shareholders is noted for the six months ended 31 December 2024, the Board would like to reiterate that the Group successfully secured official validation of its technology from authoritative government examination bodies in the PRC in August 2024, 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. Additionally, the Company has received an advanced payment from a customer for the purchase of steam generated with the use of our Oxyhydrogen Gas.

Based on the testing results witnessed by an internationally recognized testing authority on the Oxyhydrogen Gas System, such energy tests demonstrated that (i) the gas outflow generation results level of the Oxyhydrogen Gas System is stable and highly efficient; and (ii) at a remarkably low cost. Testing results conducted by our own scientist indicates that (iii) the Oxyhydrogen Gas System is able to convert water into high calorific value gas; and (iv) with zero emission throughout the whole process of gas generation and combustion. Such invention has initiated a new chapter for humanity by minimizing our dependence on fossil fuels.

Therefore, the management considers that the Green Energy Business will generate attractive investment return for the Group in the foreseeable future.

As for as the profit warning is concerned, the information contained in this announcement is based solely on a preliminary assessment by the Company with reference to the latest unaudited consolidated management accounts for the six months ended 31 December 2024 along with the information currently available to the Company, and is not based on any figure or information audited or reviewed by the Company's independent auditors or the audit committee of the Company, and may be subject to possible amendments and adjustments. Shareholders and potential investors are advised to refer to details in the interim results announcement of the Company for the six months ended 31 December 2024 which is expected to be published on or before the end of February 2025.

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

By order of the Board
CHAMPION TECHNOLOGY HOLDINGS LIMITED
Ng Kwok Leung
Company Secretary

Hong Kong, 21 February 2025

As at the date of this announcement, the executive directors of the Company is Ms. Wong Man Winny; the non-executive directors 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.