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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 2021

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 2021 together with the unaudited comparative figures for the six months ended 30 June 2020 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2021

		Six months ended 30 June	
		2021	2020
	Notes	***HK$'000***	*HK$'000*
		(Unaudited)	(Unaudited)
Revenue	*4*	**4,869**	644
Cost of operation		**(4,260)**	(286)
Gross profit		**609**	358
Other income	*5*	**98**	2,022
Net allowance for expected credit losses on trade receivables and finance lease receivables		**(26,855)**	(8,474)
Amortisation of intangible assets		**(1,233)**	(2,270)
Selling expenses		**(706)**	(862)
Administrative and operating expenses		**(4,430)**	(9,560)
Loss from operations		**(32,517)**	(18,786)
Finance costs	*6*	**(1,965)**	(1,353)
Loss before taxation	*7*	**(34,482)**	(20,139)
Taxation	*8*	**185**	341
Loss for the period		**(34,297)**	(19,798)

	Notes	Six months ended 30 June 2021 HK$'000 (Unaudited)	2020 HK$'000 (Unaudited)
Other comprehensive income/(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		**489**	(1,789)
Other comprehensive income/(loss) for the period, net of tax		**489**	(1,789)
Total comprehensive loss for the period, net of tax		**(33,808)**	(21,587)
Loss for the period attributable to owners of the Company		**(34,297)**	(19,798)
Total comprehensive loss for the period attributable to owners of the Company		**(33,808)**	(21,587)
		HK cents	*HK cents* (Restated)
Loss per share			
– Basic and diluted	*10*	**(6.55)**	(5.29)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2021

	Notes	30 June 2021 HK$'000 (Unaudited)	31 December 2020 HK$'000 (Audited)
Non-current assets			
Intangible assets		**22,912**	24,145
Property, plant and equipment		**108**	110
Right-of-use assets		**147**	306
Finance lease receivables		**42,336**	41,314
		65,503	65,875
Current assets			
Inventories		**464**	471
Trade and bills receivables	*11*	**26,187**	47,022
Prepayments, deposits and other receivables		**929**	1,047
Finance lease receivables		**4,196**	14,604
Cash and bank balances		**25,893**	28,757
		57,669	91,901
Current liabilities			
Trade and other payables	*12*	**16,406**	17,079
Lease liabilities		**331**	316
Other borrowings		**24,034**	23,820
		40,771	41,215
Net current assets		**16,898**	50,686
Total assets less current liabilities		**82,401**	116,561

	Notes	30 June 2021 HK$'000 (Unaudited)	31 December 2020 HK$'000 (Audited)
Non-current liabilities			
Lease liabilities		**58**	225
Deferred tax liabilities		**3,437**	3,622
		3,495	3,847
Net assets		**78,906**	112,714
Capital and reserves			
Share capital		**3,177,339**	3,177,339
Reserves		**(3,098,433)**	(3,064,625)
Total equity		**78,906**	112,714

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2021

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 2020 as contained in the Company's annual report 2020, 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 26 August 2021.

The financial information relating to the financial year ended 31 December 2020 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 2020 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 2020. The auditors' report had been qualified. For the year ended 31 December 2018, the Company's auditor issued a disclaimer of opinion which stated that the auditor was unable to determine whether any adjustments were necessary to write down the carrying value of the intangible assets as at 31 December 2018. As the carrying values of assets and liabilities of the Group as at 31 December 2018 were carried forward as the opening balances as at 1 January 2019, any adjustments found to be necessary on the carrying value of the intangible assets as at 31 December 2018 would have consequential effects on the impairment loss recognised on intangible assets for the year ended 31 December 2019 and hence on loss and amounts presented in consolidated statement of cash flows of the Group, and related elements presented in or disclosed in the consolidated financial statements for the year ended 31 December 2019. Therefore, for the year ended 31 December 2019, the audit opinion on the consolidated financial statements was modified accordingly. For the year ended 31 December 2020, the audit opinion on the consolidated financial statements is also modified because of the possible effects of these matters on the comparability of the 2020 figures and the corresponding figures (i.e. 2019 figures) in the consolidated financial statements. Except for the possible effects of the matter described, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2020.

Going Concern

For the six months ended 30 June 2021, the Group incurred a net loss of approximately HK$34,297,000 (2020: approximately HK$19,798,000). 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 2021 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 2021 for the preparation of the Group's condensed consolidated financial statements:

HKFRS 9, HKAS 39, HKFRS 7 HKFRS 4 and HKFRS 16 (Amendments)	Interest Rate Benchmark Reform – Phase 2

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 2021 and 2020, 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 two principal geographical areas – Hong Kong and 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**	
	2021	2020	**30 June 2021**	31 December 2020
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Audited)
The PRC	**4,869**	644	**65,451**	65,740
Hong Kong	**–**	–	**52**	135
	4,869	644	**65,503**	65,875

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	
	2021	2020
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Disaggregation of revenue from contracts with customers		
Recognised over time		
Energy saving solutions income	**4,490**	147
Recognised at a point in time		
Repair and maintenance service income	**379**	497
Revenue from contracts with customers	**4,869**	644
Revenue from other source		
Energy saving solutions income under finance leases	**–**	–
	4,869	644

5. OTHER INCOME

	Six months ended 30 June	
	2021	2020
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Bank interest income	**14**	6
Interest income on finance lease receivables	**79**	171
Interest income on extended trade receivables	**–**	544
Government grants	**–**	81
Reversal of accrued interest expenses on other borrowings	**–**	1,210
Others	**5**	10
	98	2,022

6. FINANCE COSTS

	Six months ended 30 June	
	2021	2020
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Interest expenses on other borrowings	**1,944**	1,342
Interest expenses on lease liabilities	**21**	11
	1,965	1,353

7. LOSS BEFORE TAXATION

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

	Six months ended 30 June	
	2021	2020
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Staff costs (including Directors' remuneration):		
– Directors' fee	**612**	890
– Salaries, bonus and wages	**2,427**	4,679
– Contribution to retirement benefits schemes	**141**	287
	3,180	5,856
Amortisation of intangible assets	**1,233**	2,270
Depreciation of property, plant and equipment	**7**	12
Depreciation expenses on right-of-use assets	**162**	235
Expenses relating to short-term lease	**45**	300
Cost of inventories sold	**4,260**	286
Share-based payment expenses	**–**	178
Net allowances for expected credit losses on trade receivables and finance lease receivables		
– Allowance for expected credit losses on trade receivables	**18,931**	6,745
– Allowance for expected credit losses on finance lease receivables	**8,078**	8,825
– Reversal of allowance for expected credit losses on trade receivables	**–**	(6,912)
– Reversal of allowance for expected credit losses on finance lease receivables	**(154)**	(184)
	26,855	8,474

8. TAXATION

	Six months ended 30 June	
	2021	2020
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Deferred taxation		
Credit for the period	**(185)**	(341)

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 2021 (six months ended 30 June 2020: Nil).

9. INTERIM DIVIDEND

The Directors do not recommend the payment of any interim dividends in respect of the six months ended 30 June 2021 (six months ended 30 June 2020: 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	
	2021	2020
	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	**(34,297)**	(19,798)

	Six months ended 30 June	
	2021	2020
	'000	*'000*
	(Unaudited)	(Unaudited)
		(Restated)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	**523,331**	374,031

The denominators used are the same as those detailed above for basic and diluted loss per share.

Note: The weighted average number of ordinary shares for the purpose of calculating basic loss per share for the six months ended 30 June 2020 have been adjusted for the effects of both share consolidation and rights issue of Shares completed on 26 August 2020 and 11 December 2020 respectively and retrospectively by restating the weighted average number of ordinary shares for the six months ended 30 June 2020.

For the six months ended 30 June 2021 and 2020, 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. TRADE AND BILLS RECEIVABLES

	30 June 2021	31 December 2020
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Trade receivables	**63,687**	65,194
Allowance for expected credit losses	**(37,500)**	(18,320)
	26,187	46,874
Bills receivables	**–**	148
	26,187	47,022

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

	30 June 2021	31 December 2020
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
0 to 90 days	**5,155**	2,163
91 to 180 days	**–**	72
Over 180 days	**21,032**	44,639
	26,187	46,874

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.

Net allowance for expected credit losses of approximately HK$18,931,000 has been recognised for trade receivables during the six months ended 30 June 2021 (2020: net reversal of allowance of approximately HK$167,000).

12. TRADE AND OTHER PAYABLES

	30 June 2021 *HK$'000* **(Unaudited)**	31 December 2020 *HK$'000* (Audited)
Trade payables	**3,911**	3,666
Accrued service fee for acquisition of a subsidiary	**3,871**	3,871
Accrued expenses	**1,084**	2,269
Interest payables	**7,190**	6,877
Other payables	**350**	396
	16,406	17,079

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

	30 June 2021 *HK$'000* **(Unaudited)**	31 December 2020 *HK$'000* (Audited)
0 to 90 days	**2,818**	410
91 to 180 days	**272**	2,309
181 to 365 days	**6**	3
Over 365 days	**815**	944
	3,911	3,666

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.

During the six months ended 30 June 2021, the Group recorded an unaudited revenue of approximately HK$4,869,000, representing an increase of approximately 656.1% as compared with approximately HK$644,000 for the last corresponding period. An unaudited loss attributable to the owners of the Company of approximately HK$34,297,000 (2020: loss of approximately HK$19,798,000) was recorded which was mainly attributable to: (i) net allowance for expected credit losses on trade and finance lease receivables of approximately HK$26,855,000 (2020: approximately HK$8,474,000); (ii) an amortisation of the intangible assets of approximately HK$1,233,000 (2020: approximately HK$2,270,000); and (iii) finance costs of approximately HK$1,965,000 (2020: approximately HK$1,353,000) which included the interest expense of approximately HK$1,944,000 (2020: approximately HK$1,342,000) on other borrowings raised for project financing of the Group.

The increase in loss was mainly attributable to the increase in net allowance for expected credit losses on trade receivables and finance lease receivables by HK$18,381,000 to approximately HK$26,855,000 (2020: approximately HK$8,474,000); offset by the decrease in administrative and operating expense by HK$5,130,000 to approximately HK$4,430,000 (2020: approximately HK$9,560,000).

Energy saving solutions business

The Company completed the acquisition of 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**") (the "**Acquisition**") in June 2014, which is primarily engaged in design and provision of energy saving solutions business ("**Energy Saving Business**").

With respect to the segment of design and provision of energy saving solutions, a segment loss of approximately HK$32,311,000 was recorded for the six months ended 30 June 2021 (2020: loss of approximately HK$15,902,000). The segment loss was mainly attributable to: (i) net allowance for expected credit losses on trade and finance lease receivables of approximately HK$26,855,000 (2020: approximately HK$8,474,000); and (ii) an amortisation of the intangible assets of approximately HK$1,233,000 (2020: approximately HK$2,270,000). The amortisation of intangible assets is calculated over the useful life of 7 patents for "Ultra Performance Plant Control System" (the "**UPPC System**") held under Weldtech Group. Before deducting the amortisation of intangible assets and the respective deferred tax movement, Weldtech Group has generated a segment loss of approximately HK$31,263,000 (2020: segment loss of approximately HK$13,973,000) to the Group.

Weldtech Group is engaged in the Energy Saving Business regarding heating, ventilation and air conditioning (the "**HVAC**") system, our customers are mainly commercial properties like hotels, office buildings, shopping malls and industrial plants. Since the outbreak of novel coronavirus pandemic ("**Pandemic**"), there was a significant shrink of business activities of our customers such as the decreased occupancy rate for hotels and decrease in production volume for factories. The Pandemic not only affected our business environment but also delayed the collection of receivables of the Group. The Group noted there was delay in receivable collection from customers, especially for those customers located near the heavily affected areas and under significant impact of the Pandemic. The Group has taken necessary steps in response to the situation, including but not limited to negotiations with customers for on-time repayment or renewal of repayment schedules; issuance of payment reminders; and obtain legal opinion in due course. Further to the efforts to collect the overdue receivables through various measures, the Group has filed litigations to recover overdue receivables for certain customers. The Group will timely monitor the situation and implement appropriate measures to minimize losses. For the six months ended 30 June 2021, the Company engaged an independent valuer to perform impairment assessment for potential credit losses on trade receivables and finance lease receivables. During the six months ended 30 June 2021, net allowance for expected credit losses on trade receivables and finance lease receivables of approximately HK$26,855,000 (2020: approximately HK$8,474,000) was resulted.

During the six months ended 30 June 2021, Weldtech Group has focused on the buyout contracts being entered into since the late 2020. The increase in revenue was mainly resulted from the completion of projects which lead to the contribution of revenue of HK$4.9 million in the first half of 2021.

During the year ended 31 December 2020, there was an impairment of intangible assets of approximately HK$20,315,000 in respect of the patents held under Weldtech Group. The Company engaged an independent professional valuer to assess the value in use of Weldtech Group as at 31 December 2020 and produced the valuation report, which was used to determine the fore-mentioned impairment amount, after taking into account (i) the economic development of the People's Republic of China (the "**PRC**"); (ii) the development of energy saving industry; and (iii) the expected business flow and development plan of the energy saving business during the valuation process.

The decrease in valuation was mainly due to the following factors: (i) the slow-down in the PRC economy as a result of the US-China trade war and the outbreak of the Pandemic that impacted the market negatively; (ii) the fierce competition within the energy saving business; (iii) difficulties in getting financing within the energy saving industry; and (iv) continuous lowering of government subsidies. As above, an overall poor market sentiment in energy saving sector was resulted.

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. 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 2021, the total assets decreased to approximately HK$123,172,000 (31 December 2020: approximately HK$157,776,000). The decrease was mainly attributable to: (i) net allowance for expected credit losses on trade and finance lease receivables of approximately HK$26,855,000 (2020: approximately HK$8,474,000); and (ii) an amortisation of intangible assets of HK$1,233,000 (2020: approximately HK$2,270,000).

As at 30 June 2021, the Group held intangible assets amounting to approximately HK$22,912,000 (31 December 2020: approximately HK$24,145,000). The intangible assets represent 7 patents related to the UPPC System used by the Energy Saving Business.

As at 30 June 2021, the Group held finance lease receivables amounting to approximately HK$46,532,000 (31 December 2020: approximately HK$55,918,000).

As at 30 June 2021, total liabilities decreased to approximately HK$44,266,000 (31 December 2020: approximately HK$45,062,000). The total liabilities mainly represented the trade and other payables of approximately HK$16,406,000 (31 December 2020: approximately HK$17,079,000) and other borrowings of approximately HK$24,034,000 (31 December 2020: approximately HK$23,820,000).

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

During the six months ended 30 June 2021, the Group finances its operations by internally generated cashflows and other borrowings. As at 30 June 2021, the Group has net current assets of approximately HK$16,898,000 (31 December 2020: approximately HK$50,686,000). As at 30 June 2021, the Group's cash and bank balances amounted to approximately HK$25,893,000 (31 December 2020: approximately HK$28,757,000).

The Group monitors capital using a gearing ratio, calculated as net debt divided by total capital. Net debt is calculated as other borrowings, net of cash and bank balances. Total capital is calculated as "total equity" as shown in the consolidated statement of financial position plus net debt. As at 30 June 2021, the Group has net cash of approximately HK$1,859,000 (31 December 2020: net cash of approximately HK$4,937,000). Therefore, the gearing ratio is not applicable as at 30 June 2021 and 31 December 2020.

As at 30 June 2021, the Group's other borrowings of approximately HK$24,034,000 (31 December 2020: approximately HK$23,820,000) were secured by the corporate guarantees granted by the Company.

The share capital of the Group only comprises of ordinary shares. As at 30 June 2021, the Company's number of issued ordinary shares was 523,330,908 ("**Share(s)**") (as at 31 December 2020: 523,330,908 Shares).

CAPITAL COMMITMENT

As at 30 June 2021, the Group had capital commitments, which were contracted but not provided for, in respect of construction contract of approximately HK$4,849,000 (31 December 2020: approximately HK$3,365,000).

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 2021, the Group did not have any significant contingent liabilities (31 December 2020: Nil).

MATERIAL INVESTMENTS, ACQUISITION AND DISPOSALS

Save as disclosed elsewhere in this announcement, there were no material investments, acquisitions or disposals of subsidiaries during the six months ended 30 June 2021.

STAFF AND REMUNERATION

As at 30 June 2021, the Group had 19 (2020: 33) employees and total staff costs incurred during the period under review amounted to approximately HK$3,180,000 (2020: approximately HK$5,856,000). 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.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2021 (2020: Nil).

OUTLOOK AND PROSPECT

Regarding the energy saving solutions business, the increasing awareness of the energy saving, social responsibility and also the determination to reduce carbon emission, the energy saving and environmental protection remain the key focus of the PRC government. However, the Group is facing intensified competition in the industry, particularly for small and medium-sized projects. Macro-economic factors also fluctuate the market.

Going forward, Weldtech Group will remain cautious, especially in terms of project screening and evaluating the impact of the Pandemic on customers' business and financial position in order to secure the recoverability. Weldtech Group has implemented a more conservative credit policy on customers with the aim to match the cash inflow cycle from customers against the cash outflow cycle to suppliers. This could minimise the cashflow pressures of the Group in the current economic situation due to the Pandemic. On the other hand, Weldtech Group will continue to target potential customers for buyout projects to improve cashflow of Weldtech Group with shorter turnover days and explore secondary sales from existing customers, enhancing the portfolio of the Company. Weldtech Group will continue to develop new reusable energy platforms as well as getting new orders in construction/engineering related projects in order to expand the Group's business. Our team has worked hard to secure contracts in order to keep the business momentum under the current environment affected by the Pandemic. Since late 2020, Weldtech Group has entered into several contracts which were expected to complete in 2021.

Market conditions remain challenging and dynamic in 2021. It remains uncertain on the Pandemic situation in the foreseeable future. As far as the Group's business is concerned, customer demand, budget for capital expenditure are expected to be affected. Although some cities in the PRC started to pick up the pace in terms of economic activities, it is expected that market sentiment takes relatively long time to fully reflect the impact, recover and resume back to normal. Also, the plunge of global oil prices since early 2020 might impact the Group's energy saving operation because cheaper energy price would subsequently reduce the demand for energy saving services. The Group will take feasible and necessary measures to react against the economic downturn and will also actively seize investment opportunities prudently and thoroughly. Management expects that fiscal year 2021 will be full of challenges in view of the uncertainties in the global economy.

The Group will continue to explore and capture business opportunities in the green sector, including HVAC energy saving projects, and also the related construction, clean energy procurement, sales and solutions. The Company is actively seeking and exploring other business opportunities in China as well as outside China. For financing, the Group will continue to explore various funding sources including project financing, debt financing and/or equity fund raising to finance the development of the Group's businesses.

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 2021.

CORPORATE GOVERNANCE

During the six months ended 30 June 2021 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 4 June 2021 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 (the "**Company Secretary**") 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 2021. 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, 26 August 2021

As at the date of this announcement, the Board comprises Mr. Cheng Lut Tim, Mr. Chong Kok Leong and Mr. Zhuang Miaozhong being the executive Directors; and Mr. Choy Hiu Fai, Eric, Mr. Huang Lizhi and Mr. Lam Yau Fung, Curt being the independent non-executive Directors.