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 2022

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 2022 together with the unaudited comparative figures for the six months ended 30 June 2021 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2022

		Six months ended 30 June	
		2022	2021
	Notes	***HK$'000***	*HK$'000*
		(Unaudited)	(Unaudited)
Revenue	*4*	**1,776**	4,869
Cost of operation		**(1,265)**	(4,260)
Gross profit		**511**	609
Other income	*5*	**80**	98
Net allowance for expected credit losses on trade receivables and finance lease receivables		**(1,330)**	(26,855)
Amortisation of intangible assets		**–**	(1,233)
Selling expenses		**(447)**	(706)
Administrative and operating expenses		**(5,260)**	(4,430)
Loss from operations		**(6,446)**	(32,517)
Finance costs	*6*	**(2,054)**	(1,965)
Loss before taxation	*7*	**(8,500)**	(34,482)
Taxation	*8*	**–**	185
Loss for the period		**(8,500)**	(34,297)

	Notes	Six months ended 30 June **2022** ***HK$'000*** **(Unaudited)**	 2021 *HK$'000* (Unaudited)
Other comprehensive (loss)/income for the period, net of tax			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**(1,416)**	489
Other comprehensive (loss)/income for the period, net of tax		**(1,416)**	489
Total comprehensive loss for the period, net of tax		**(9,916)**	(33,808)
Loss for the period attributable to owners of the Company		**(8,500)**	(34,297)
Total comprehensive loss for the period attributable to owners of the Company		**(9,916)**	(33,808)
		HK cents	*HK cents*
Loss per share			
– Basic and diluted	*10*	**(1.62)**	(6.55)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2022

	Notes	30 June 2022 HK$'000 (Unaudited)	31 December 2021 HK$'000 (Audited)
Non-current assets			
Finance lease receivables	11	**39,031**	40,717
		39,031	40,717
Current assets			
Inventories		**441**	467
Trade receivables	12	**14,816**	15,472
Prepayments, deposits and other receivables		**1,818**	2,010
Finance lease receivables	11	**3,101**	4,759
Cash and bank balances		**12,331**	18,886
		32,507	41,594
Current liabilities			
Trade and other payables	13	**9,765**	9,386
Lease liabilities		**55**	229
Other borrowings		**23,424**	24,486
		33,244	34,101
Net current (liabilities) assets		**(737)**	7,493
Total assets less current liabilities		**38,294**	48,210
Net assets		**38,294**	48,210
Capital and reserves			
Share capital		**3,177,339**	3,177,339
Reserves		**(3,139,045)**	(3,129,129)
Total equity		**38,294**	48,210

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2022

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 2021 as contained in the Company's annual report 2021, 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 22 August 2022.

The financial information relating to the financial year ended 31 December 2021 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 2021 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 2021. The auditors' report was unqualified; but include a reference to a matter to which the auditor drew attention by way of emphasis under the heading "Material Uncertainty Related to Going Concern" without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Companies Ordinance.

Going Concern

For the six months ended 30 June 2022, the Group incurred a net loss of approximately HK$8,500,000 (2021: approximately HK$34,297,000). 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 2022 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 2022 for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendment to HKFRS 16	Property, Plant and Equipment – Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Amendments to HKFRS	Annual Improvements of HKFRSs 2018-2020

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 2022 and 2021, 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**	
			30 June	31 December
	2022	2021	**2022**	2021
	HK\$'000	*HK\$'000*	***HK\$'000***	*HK\$'000*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Audited)
The PRC	**1,776**	4,869	**39,031**	40,717
Hong Kong	**–**	–	**–**	–
	1,776	4,869	**39,031**	40,717

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	
	2022	2021
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Revenue from contracts with customers		
Energy saving solutions income	**1,653**	4,490
Repair and maintenance service income	**123**	379
	1,776	4,869

5. OTHER INCOME

	Six months ended 30 June	
	2022	2021
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Bank interest income	**12**	14
Interest income on finance lease receivables	**20**	79
Government grants (Note)	**48**	–
Others	**–**	5
	80	98

Note: During the six months ended 30 June 2022, the Group recognised government grant of HK$48,000 in respect of COVID-19-related subsidies which is related to Employment Support Scheme provided by the Hong Kong government.

6. FINANCE COSTS

	Six months ended 30 June	
	2022	2021
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Interest expenses on other borrowings	**2,048**	1,944
Interest expenses on lease liabilities	**6**	21
	2,054	1,965

7. LOSS BEFORE TAXATION

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

	Six months ended 30 June	
	2022	2021
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Staff costs (including Directors' remuneration):		
– Directors' fee	**618**	612
– Salaries, bonus and wages	**2,641**	2,427
– Contribution to retirement benefits schemes	**93**	141
	3,352	3,180
Amortisation of intangible assets	**–**	1,233
Depreciation of property, plant and equipment	**–**	7
Depreciation expenses on right-of-use assets	**–**	162
Expenses relating to short-term lease	**48**	45
Net allowances for expected credit losses on trade receivables and finance lease receivables		
– Allowance for expected credit losses on trade receivables	**453**	18,931
– Allowance for expected credit losses on finance lease receivables	**879**	8,078
– Reversal of allowance for expected credit losses on trade receivables	**(2)**	–
– Reversal of allowance for expected credit losses on finance lease receivables	**–**	(154)
	1,330	26,855

8. TAXATION

	Six months ended 30 June	
	2022	2021
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Deferred taxation		
Credit for the period	**–**	(185)

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 2022 (six months ended 30 June 2021: Nil).

9. INTERIM DIVIDEND

The Directors do not recommend the payment of any interim dividends in respect of the six months ended 30 June 2022 (six months ended 30 June 2021: 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	
	2022	2021
	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	**(8,500)**	(34,297)

	Six months ended 30 June	
	2022	2021
	'000	*'000*
	(Unaudited)	(Unaudited)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	**523,331**	523,331

Note: For the six months ended 30 June 2022 and 2021, 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. FINANCE LEASE RECEIVABLES

	30 June 2022 *HK$'000* **(Unaudited)**	31 December 2021 *HK$'000* (Audited)
Current finance lease receivables	**33,703**	36,838
Non-current finance lease receivables	**42,002**	42,834
	75,705	79,672
Less: Allowance for expected credit losses	**(33,573)**	(34,196)
	42,132	45,476

Analysed for reporting purposes as:

	30 June 2022 *HK$'000* **(Unaudited)**	31 December 2021 *HK$'000* (Audited)
Current assets	**3,101**	4,759
Non-current assets	**39,031**	40,717
	42,132	45,476

The interest rate inherent in the leases is fixed at the contract date for the entire lease term. The effective interest rate is approximately 8.45% per annum for the six months ended 30 June 2022 (31 December 2021: 8.45%).

Finance lease receivables were considered credit-impaired when the customers fail to settle according to the settlement terms for more than 180 days after taking into consideration the recoverability of collateral and deposits.

Net allowance for expected credit losses of approximately HK$879,000 has been recognised for finance lease receivables during the period 30 June 2022 (2021: net allowance of approximately HK$7,924,000).

12. TRADE RECEIVABLES

	30 June 2022 *HK$'000* **(Unaudited)**	31 December 2021 *HK$'000* (Audited)
Trade receivables	**59,269**	61,478
Allowance for expected credit losses	**(44,453)**	(46,006)
	14,816	15,472

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

	30 June 2022 *HK$'000* **(Unaudited)**	31 December 2021 *HK$'000* (Audited)
0 to 90 days	**1,239**	1,017
91 to 180 days	**189**	–
Over 180 days	**13,388**	14,455
	14,816	15,472

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$451,000 has been recognised for trade receivables during the six months ended 30 June 2022 (2021: HK$18,931,000).

13. TRADE AND OTHER PAYABLES

	30 June 2022 *HK$'000* **(Unaudited)**	31 December 2021 *HK$'000* (Audited)
Trade payables	**583**	664
Accrued expenses	**1,787**	2,106
Interest payables	**6,866**	5,085
Receipts in advance	**4**	938
Other payables	**525**	593
	9,765	9,386

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

	30 June 2022 *HK$'000* **(Unaudited)**	31 December 2021 *HK$'000* (Audited)
0 to 90 days	**1**	57
91 to 180 days	**174**	–
181 to 365 days	**7**	10
Over 365 days	**401**	597
	583	664

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 2022, the Group recorded an unaudited revenue of approximately HK$1,776,000, representing a decrease of approximately 63.5% as compared with approximately HK$4,869,000 for the last corresponding period. An unaudited loss attributable to the owners of the Company of approximately HK$8,500,000 (2021: loss of approximately HK$34,297,000) was recorded which was mainly attributable to: (i) net allowance for expected credit losses on trade and finance lease receivables of approximately HK$1,330,000 (2021: approximately HK$26,855,000); (ii) an amortisation of the intangible assets of HK$Nil (2021: approximately HK$1,233,000); and (iii) finance costs of approximately HK$2,054,000 (2021: approximately HK$1,965,000) which included the interest expense of approximately HK$2,048,000 (2021: approximately HK$1,944,000) on other borrowings raised for project financing of the Group. For the Period, the administrative expenses increased by approximately HK$830,000 as compared to the corresponding period in 2021 which was mainly due to the net effect of an increase in staff costs, legal and professional fee in relation to collection of outstanding receivables.

Energy saving solutions business

The Company's subsidiary, 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**") is primarily engaged in design and provision of energy saving solutions business (the "**Energy Saving Business**").

Regarding the design and provision of energy saving solutions, a segment loss of approximately HK$5,858,000 was recorded for the six months ended 30 June 2022 (2021: loss of approximately HK$32,311,000). The segment loss was mainly attributable to: (i) net allowance for expected credit losses on trade and finance lease receivables of approximately HK$1,330,000 (2021: approximately HK$26,855,000); and (ii) interest expenses on other borrowings of approximately HK$2,048,000 (2021: approximately HK$1,944,000).

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 the novel coronavirus pandemic ("**Pandemic**"), there has been a significant shrink in our customers' business activities, such as the decreased occupancy rate for hotels and a reduced production volume for factories.

The Pandemic affected our business environment and delayed the collection of receivables of the Group. The Group noted there was a delay in the receivable collection from customers.

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 seeking legal advice from lawyers on enforcement and recovery of receivables due and owing.

Further to the efforts to collect the overdue receivables through various measures, the Group has filed litigations to recover outstanding receivables for specific customers. The Group has kept chasing the Shanghai Court for rulings regarding those cases. Moreover, the Group has also engaged a professional third-party consultant to assist the Group in collecting outstanding receivables. The Group will timely monitor the situation and implement appropriate measures to recover these receivables.

For the six months ended 30 June 2022, the Company engaged an independent valuer to perform an impairment assessment for potential credit losses on trade receivables and finance lease receivables.

During the six months ended 30 June 2022, a net allowance for expected credit losses on trade receivables and finance lease receivables of approximately HK$1,330,000 (2021: approximately HK$26,855,000) was resulted.

In April 2022, our team came across an attractive business opportunity through business contacts in the PRC. Our directors reached a view that such opportunity is good for the Group in terms of expanding and diversifying its business and increasing shareholders' value. Therefore, our team worked on this opportunity accordingly. However, this potential opportunity was subsequently dropped by the team in June due to technical reasons.

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 2022, the total assets decreased to approximately HK$71,538,000 (31 December 2021: approximately HK$82,311,000).

As at 30 June 2022, the Group held finance lease receivables amounting to approximately HK$42,132,000 (31 December 2021: approximately HK$45,476,000).

As at 30 June 2022, total liabilities decreased to approximately HK$33,244,000 (31 December 2021: approximately HK$34,101,000). The total liabilities mainly represented the trade and other payables of approximately HK$9,765,000 (31 December 2021: approximately HK$9,386,000) and other borrowings of approximately HK$23,424,000 (31 December 2021: approximately HK$24,486,000).

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

During the six months ended 30 June 2022, the Group finances its operations by internally generated cashflows and other borrowings. As at 30 June 2022, the Group has net current liabilities of approximately HK$737,000 (31 December 2021: net current assets of approximately HK$7,493,000). As at 30 June 2022, the Group's cash and bank balances amounted to approximately HK$12,331,000 (31 December 2021: approximately HK$18,886,000).

The gearing ratio of the Group as at 30 June 2022, which is calculated as net debt (as calculated as other borrowings less cash and bank balances) divided by total capital (as calculated by total equity plus net debts) was 22.46% (31 December 2021: 10.41%).

As at 30 June 2022, the Group's other borrowings of approximately HK$23,424,000 (31 December 2021: approximately HK$24,486,000) 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 2022, the Company's number of issued ordinary shares was 523,330,908 ("**Share(s)**") (31 December 2021: 523,330,908 Shares).

CAPITAL COMMITMENT

As at 30 June 2022, the Group had capital commitments, which were contracted but not provided for, in respect of construction contract of approximately HK$6,105,000 (31 December 2021: approximately HK$5,807,000).

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 2022, the Group did not have any significant contingent liabilities (31 December 2021: Nil).

MATERIAL INVESTMENTS, ACQUISITION AND DISPOSALS

Save as disclosed elsewhere in this report, there were no material investments, acquisitions or disposals of subsidiaries during the six months ended 30 June 2022.

CHARGES OVER ASSETS

The Group had no pledged assets, including pledged deposits as at 30 June 2022 (31 December 2021: Nil).

STAFF AND REMUNERATION

As at 30 June 2022, the Group had 19 (2021: 19) employees and total staff costs incurred during the period under review amounted to approximately HK$3,352,000 (2021: approximately HK$3,180,000). 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.

FINANCIAL KEY PERFORMANCE INDICATORS

The Group's net asset value is a key indicator of the financial performance and it decreased to approximately HK$38,294,000 as at 30 June 2022 (31 December 2021: approximately HK$48,210,000). During the six months ended 30 June 2022, the Group recorded a loss attributable to the owners of the Company of approximately HK$8,500,000 (2021: loss of approximately HK$34,297,000). The net asset value per share was HK$0.073 (31 December 2021: HK$0.092), which was calculated on the above net assets value and the Company's number of 523,330,908 issued ordinary shares as at 30 June 2022 (31 December 2021: 523,330,908 Shares).

USE OF PROCEEDS

The placing of new shares under general mandate (the "2017 Placing")

In early 2017, a total of 384,416,000 new Shares have been successfully placed to a placee at the placing price of HK$0.36 per placing Share who and whose ultimate beneficial owners were third parties independent of and not connected with the Company and its connected persons (as defined under the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**")), immediately prior to the completion of the placing.

The gross proceeds from the placing were approximately HK$138,400,000 and the net proceeds after deducting all relevant expenses were approximately HK$133,900,000, which the Company intends to utilise for (i) general working capital of the Group, (ii) repayment of existing indebtedness, and/or (iii) possible investments in the future. The utilization of the net proceeds from the placing was summarised as follows:

	Original allocation of net proceeds *HK$'000*	**Revised allocation after the changes as disclosed in the announcement dated 18 October 2017** *HK$'000*	**Amount utilised up to 30 June 2022** *HK$'000*	**Balance as at 30 June 2022** *HK$'000*
General working capital of the Group	**48,920**	**96,085**	**(96,085)**	**–**
Repayment of existing indebtedness	**34,980**	**34,980**	**(34,980)**	**–**
Possible investments	**50,000**	**2,835**	**(835)**	**2,000**
	133,900	**133,900**	**(131,900)**	**2,000**

For further details, please refer to the announcements of the Company dated 29 December 2016, 11 January 2017, 20 January 2017, 18 August 2017, 18 October 2017, 24 September 2019 and 29 September 2021.

Due to the negative impact caused by the Pandemic on the global economy, there is no desirable opportunity arised and found fit to the Company, this balance remained unutilised. It is expected that the remaining balance of the net proceeds are proposed to be used in accordance with the previous disclosure in respect of the 2017 Placing and will be utilised by the end of December 2023.

The placing of new shares under general mandate (the "2020 Placing") on 27 July 2020

On 13 July 2020, the Company entered into the placing agreement with the placing agent, pursuant to which the Company agreed to place through the placing agent, on a best-effort basis, up to 200,000,000 new Shares to not less than six independent placees at the placing price of HK$0.04 per placing Share.

On 27 July 2020, all the conditions set out in the placing agreement had been fulfilled and the completion of the placing took place on 27 July 2020. An aggregate of 200,000,000 new Shares had been successfully placed by the placing agent to not less than six placees at the placing price of HK$0.04 per placing Share pursuant to the terms and conditions of the placing agreement. The net proceeds from the placing were approximately HK$7,760,000, which the Company intended to apply the net proceeds (i) for general working capital of the Group and/or (ii) for possible investments in the future when opportunities arise. The utilisation of the net proceeds from the placing of new Shares was summarised as follows:

	Allocation of net proceeds	Amount utilised up to 30 June 2022	Balance as at 30 June 2022
	HK$'000	*HK$'000*	*HK$'000*
General working capital of the Group	**6,760**	**(6,760)**	**–**
Possible investments	**1,000**	**–**	**1,000**
	7,760	**(6,760)**	**1,000**

For further details, please refer to the announcements of the Company dated 13 July 2020, 27 July 2020 and 29 September 2021.

Due to the negative impact caused by the Pandemic on the global economy, it is expected that the remaining balance of the net proceeds are proposed to be used in accordance with the previous disclosure in respect of the 2020 Placing. It is expected that the balance of net proceeds of HK$1,000,000 as intended for possible investment will be utilised by the end of December 2023.

The rights issue on 12 December 2020 and raised HK$21,000,000 (the "2020 Rights Issue")

On 16 October 2020, the Company entered into the underwriting agreement with the underwriter for the proposed rights issue of not less than 130,832,727 rights shares (the "**Rights Share(s)**") at the subscription price of HK$0.18 per Rights Share on the basis of one (1) Rights Share for every three (3) existing Shares in issue (the "**Rights Issue**"). The Rights Issue transaction had been completed on 14 December 2020, and an aggregate of 130,832,727 new shares had been allotted and issued by the Company.

The gross proceeds from the Rights Issue were approximately HK$23,500,000. The net proceeds from the Rights Issue, after deducting professional fees and all other relevant expenses, were approximately HK$21,000,000. The net proceeds from the Rights Issue were intended to be used for general working capital of the Group including (i) potential new projects as to approximately HK$12,600,000; and (ii) operating expenses as to approximately HK$8,400,000. The utilisation of the net proceeds from the Rights Issue was summarised as follows:

	Allocation of net proceeds *HK$'000*	**Amount utilised up to 30 June 2022** *HK$'000*	**Balance as at 30 June 2022** *HK$'000*
Potential new projects	**12,550**	**(8,791)**	**3,759**
Operating expenses	**8,400**	**(8,400)**	**–**
	20,950	**(17,191)**	**3,759**

Details of the Rights Issue were set out in the announcements of the Company dated 16 October 2020, 20 November 2020, 11 December 2020 and 29 September 2021 and the prospectus of the Company dated 20 November 2020.

Due to the negative impact caused by the Pandemic on the global economy, it is expected that the remaining balance of the net proceeds are proposed to be used in accordance with the previous disclosure in respect of the 2020 Rights Issue. It is expected that the balance of net proceeds of HK$3,800,000 as intended for potential new projects will be utilised by the end of December 2023.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2022 (2021: Nil).

OUTLOOK AND PROSPECT

Regarding the energy saving solutions business, the increasing awareness of energy saving, social responsibility, and also the determination to reduce carbon emission, energy saving, and environmental protection remains the key focus of the PRC government. However, the Group is facing intensified competition in the industry, particularly for small and medium-sized projects. Macroeconomic factors also fluctuate the market; especially, it is uncertain about the Pandemic situation in the foreseeable future.

The two-month lockdown in Shanghai in April caused a complete stoppage of work, and our officers could not go to offices or factories. Due to the lockdowns, our engineers were grounded and unable to get on-site to commence work. As such, implementation of projects was delayed, which is a force majeure event beyond the control of the Company, which also happened to a bulk majority of the companies in the market.

After the Shanghai government announced an end to its two-month-long lockdown in June, our operation team resumed work. Our staff has worked with the project owners and other partners to update the relevant timetables to continue the implementation of the projects as soon as practicable. Our staff also has contacted potential clients and expects to get more new orders in coming quarters.

Furthermore, the Group has signed a new contract to implement an energy saving system for a facility that will be used for the Hangzhou Asian Games. Our team has worked with the project owner to aim to start the on-site fieldwork in mid-September 2022 if appropriate.

The Pandemic negatively impacted the Group's Energy Saving Business in the past two years, and the management expects that the fiscal year 2022 will still be full of challenges given the uncertainties in the global economy.

As such, the Group will take feasible and necessary measures to react against the economic downturn and actively seize investment opportunities prudently and thoroughly.

Although some cities in the PRC started to pick up the pace in terms of economic activities, market sentiment is expected to take a relatively long time to reflect the impact, recover and resume normal fully.

As far as the Group's business is concerned, customers' demand and budget for capital expenditure are expected to be affected. Our team will continue to work hard to secure new contracts to keep the business momentum in the current environment.

The Group will continue to explore and capture business opportunities in the green sector, including HVAC energy-saving projects. In parallel, the Group is also exploring possible investment opportunities in other green fuel businesses, such as water treatment, energy storage business, etc.

For financing, the Group will continue to explore various funding sources, including project financing, debt financing, and equity fundraising, to finance the development of the Group's businesses.

The management of the Group is actively seeking means to sustain the business and strengthen the bottom line of the financials of the Group, which will benefit the public shareholders with better returns.

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 2022.

CORPORATE GOVERNANCE

During the six months ended 30 June 2022 and up to date of this report, 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 2 June 2022 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 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 2022. 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, 22 August 2022

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.