

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

## **CCIAM FUTURE ENERGY LIMITED**

### **信能低碳有限公司**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 145)**

### **FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2023**

The board (the “**Board**”) of directors (the “**Director(s)**”) of CCIAM Future Energy Limited (the “**Company**”) announces the audited consolidated results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 31 December 2023, together with the comparative figures for the year ended 31 December 2022, as follows:

#### **CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME** *For the year ended 31 December 2023*

	<i>Notes</i>	<b>2023</b> <i>HK\$'000</i>	2022 <i>HK\$'000</i>
<b>Revenue</b>	5	<b>29,688</b>	23,306
Cost of sales		<u><b>(27,769)</b></u>	<u>(20,946)</u>
<b>Gross profit</b>		<b>1,919</b>	2,360
Other income	6	<b>566</b>	419
Net allowance for expected credit losses on trade receivables, contract assets, loan and interest receivables and finance lease receivables		<b>(1,816)</b>	(13,641)
Written off of finance lease receivable		–	(26,218)
Gain on disposal of a subsidiary	20	<b>50</b>	–
Selling expenses		<b>(759)</b>	(993)
Administrative and operating expenses		<u><b>(11,751)</b></u>	<u>(11,838)</u>
<b>Loss from operations</b>		<b>(11,791)</b>	(49,911)
Finance costs	7	<u><b>(776)</b></u>	<u>(2,061)</u>

	<i>Notes</i>	<b>2023</b> <i>HK\$'000</i>	2022 <i>HK\$'000</i>
<b>Loss before taxation</b>	8	<b>(12,567)</b>	(51,972)
Income tax	9	<u>—</u>	<u>—</u>
<b>Loss for the year</b>		<u><b>(12,567)</b></u>	<u>(51,972)</u>
<b>Other comprehensive expense for the year, net of tax</b>			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of foreign operations		<u>(632)</u>	<u>(1,080)</u>
<b>Other comprehensive expense for the year, net of tax</b>		<u>(632)</u>	<u>(1,080)</u>
<b>Total comprehensive expense for the year, net of tax</b>		<u><b>(13,199)</b></u>	<u>(53,052)</u>
<b>Loss for the year attributable to owners of the Company</b>		<u><b>(12,567)</b></u>	<u>(51,972)</u>
<b>Total comprehensive expense attributable to owners of the Company</b>		<u><b>(13,199)</b></u>	<u>(53,052)</u>
		<i>HK\$</i>	<i>HK\$</i> (Restated)
<b>Loss per share</b>			
– Basic and diluted	<i>11</i>	<u><b>(0.12)</b></u>	<u>(0.75)</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

	<i>Notes</i>	<b>2023</b> <i>HK\$'000</i>	2022 <i>HK\$'000</i>
<b>Non-current assets</b>			
Intangible assets	<i>12</i>	<b>501</b>	–
Property, plant and equipment		<b>429</b>	–
Right-of-use assets		<b>652</b>	–
Loan receivables		<b>189</b>	–
Finance lease receivables	<i>13</i>	<b>6,743</b>	11,410
		<b>8,514</b>	11,410
<b>Current assets</b>			
Inventories		<b>412</b>	420
Trade receivables	<i>14</i>	<b>942</b>	2,636
Contract assets	<i>15</i>	<b>2,814</b>	2,021
Loan and interest receivables		<b>200</b>	–
Prepayments, deposits and other receivables	<i>16</i>	<b>2,795</b>	13,785
Finance lease receivables	<i>13</i>	<b>4,250</b>	2,914
Cash and bank balances		<b>37,986</b>	26,985
		<b>49,399</b>	48,761
<b>Current liabilities</b>			
Trade and other payables	<i>17</i>	<b>2,562</b>	9,533
Contract liabilities	<i>18</i>	<b>2,122</b>	8,819
Lease liabilities		<b>432</b>	–
Other borrowings		<b>10,000</b>	22,374
		<b>15,116</b>	40,726
<b>Net current assets</b>		<b>34,283</b>	8,035
<b>Total assets less current liabilities</b>		<b>42,797</b>	19,445

	<i>Notes</i>	<b>2023</b> <i>HK\$'000</i>	2022 <i>HK\$'000</i>
<b>Non-current liabilities</b>			
Lease liabilities		<u>218</u>	<u>–</u>
		<u>218</u>	<u>–</u>
<b>Net assets</b>		<u><b>42,579</b></u>	<u>19,445</u>
<b>Capital and reserves</b>			
Share capital	<i>19</i>	<b>3,237,959</b>	3,201,626
Reserves		<u>(3,195,380)</u>	<u>(3,182,181)</u>
<b>Total equity</b>		<u><b>42,579</b></u>	<u>19,445</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

## 1. CORPORATE INFORMATION

The Company was incorporated in Hong Kong and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The address of registered office of the Company is Unit D, 7/F, Seabright Plaza, 9-23 Shell Street, North Point, Hong Kong.

The Company is an investment holding company and its subsidiaries are principally engaged in design and provision of energy saving solutions business (the “**Energy Saving Business**”) and loan financing business.

The consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”) which is the same as functional currency of the Company and rounded to the nearest thousand (HK\$’000), unless otherwise stated.

## 2. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“**HKFRSs**”)

### Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) for the first time, which are mandatorily effective for the annual period beginning on 1 January 2023 for the preparation of the consolidated financial statements:

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform – Pillar Two Model Rules

Except as described below, the application of the amendments to HKFRSs in the current year had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

## **Change in accounting policy as a result of application of the HKICPA guidance on the accounting implications of the abolition of the Mandatory Provident Fund – Long Service Payment offsetting mechanism in Hong Kong**

In June 2022, the Government of the Hong Kong Special Administrative Region (“**Government**”) gazetted the Hong Kong Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 (“**Amendment Ordinance**”), which will come into effect from 1 May 2025 (“**Transition Date**”). Once the Amendment Ordinance takes effect, an employer can no longer use any of the accrued benefits derived from its mandatory contributions to mandatory provident fund (“**MPF**”) scheme to reduce the long service payment (“**LSP**”) in respect of an employee’s service from the Transition Date (the abolition of the “**offsetting mechanism**”). In addition, the LSP in respect of the service before the Transition Date will be calculated based on the employee’s monthly salary immediately before the Transition Date and the years of service up to that date.

In July 2023, the HKICPA published the captioned accounting guidance relating to the abolition of the offsetting mechanism. In particular, the guidance indicates that entities may account for the accrued benefits derived from mandatory MPF contributions that are expected to be used to reduce the LSP payable to an employee as deemed contributions by that employee towards the LSP. To better reflect the substance of the abolition of the offsetting mechanism, the Group has applied the above HKICPA guidance and changed its accounting policy in connection with its LSP liability.

The change in accounting policy in the current year had no material impact on the consolidated financial statements.

### **Amendments to HKFRSs and interpretation in issue but not yet effective**

The Group has not early applied the following amendments to HKFRSs and interpretation that have been issued but not yet effective:

Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>1</sup>
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback <sup>2</sup>
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current <sup>2</sup>
Amendments to HKAS 1	Non-current Liabilities with Covenants <sup>2</sup>
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements <sup>2</sup>
Amendments to HKAS 21	Lack of Exchangeability <sup>3</sup>
Hong Kong Interpretation 5 (Revised)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that contains a Repayment on Demand Clause <sup>2</sup>

<sup>1</sup> Effective for annual periods beginning on or after a date to be determined

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2024

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2025

The Directors anticipate that the application of all the amendments to HKFRSs and interpretation will have no material impact on the consolidated financial statements in the foreseeable future.

### 3. MATERIAL ACCOUNTING POLICIES INFORMATION

#### (a) Statutory financial statements

The financial information relating to the years ended 31 December 2023 and 2022 included in this preliminary announcement of annual results does not constitute the Company's statutory annual consolidated financial statements for those years but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Companies Ordinance is as follows:

The Company has delivered the financial statements for the year ended 31 December 2022 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance and will deliver the financial statements for the year ended 31 December 2023 in due course.

The Company's auditor has reported on the financial statements of the Group for both years. The auditor's reports for the year ended 31 December 2023 (i) was unqualified; (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its reports; and (iii) did not contain a statement under sections 406(2), 407(2) or (3) of the Companies Ordinance. The auditor's report for the year ended 31 December 2022 contained an emphasis of matter related to going concern matter.

#### (b) Statement of compliance

The consolidated financial statements have been prepared in accordance with HKFRSs issued by HKICPA. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements also include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") and by the Companies Ordinance.

#### (c) Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis at the end of each reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 *Share-based Payment*, leasing transactions that are accounted for in accordance with HKFRS 16 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 *Inventories* or value in use in HKAS 36 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

#### **4. SEGMENT INFORMATION**

During the year ended 31 December 2022, the Group operated only one operating segment which was the provision of design and provision of energy saving solutions. A single management team reported to the Directors of the Group (being the chief operating decision-maker) who comprehensively managed the entire business. Accordingly, the Group did not present separately segment information.

During the year ended 31 December 2023, for the purpose of resource allocation and assessment of segment performance, the Group classified its business units based on their products and services and has the following two reportable operating segments:

- Energy Saving Business
- Loan financing business



Information regarding the Group's reportable segments is presented below.

### Segment Revenue and Results

For the year ended 31 December 2023:

	<b>Energy Saving Business HK'000</b>	<b>Loan financing business HK'000</b>	<b>Total HK'000</b>
Segment revenue	<u>29,679</u>	<u>9</u>	<u>29,688</u>
Segment results	(4,967)	(631)	(5,598)
Other gains, net			616
Unallocated administrative expenses			(6,809)
Finance costs			<u>(776)</u>
Loss before income tax			<u>(12,567)</u>

Segment revenue reported above represents revenue generated from external customers.

The accounting policies of the reportable segments are the same as the Group's accounting policies. Segment results represent the results from each segment without allocation of central administrative costs including directors' emoluments, certain other gains or losses and finance costs.

### Segment Assets and Liabilities

The segment assets and liabilities as at 31 December 2023 and capital expenditures for the year then ended by reportable segments are as follows:

	<b>Energy Saving Business HK\$'000</b>	<b>Loan financing business HK\$'000</b>	<b>Unallocated HK\$'000</b>	<b>Total HK\$'000</b>
Segment assets	<u>17,858</u>	<u>1,852</u>	<u>38,203</u>	<u>57,913</u>
Segment liabilities	<u>3,530</u>	<u>454</u>	<u>11,350</u>	<u>15,334</u>
Capital expenditures	<u>–</u>	<u>451</u>	<u>–</u>	<u>451</u>

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to reportable segments other than bank and cash balances and other assets for corporate use;
- all liabilities are allocated to reportable segments other than other borrowings and certain other payables.

## Other Segment Information

For the year ended 31 December 2023:

	<b>Energy Saving Business HK\$'000</b>	<b>Loan financing business HK\$'000</b>	<b>Unallocated HK\$'000</b>	<b>Total HK\$'000</b>
Depreciation of property, plant and equipment	<u>–</u>	<u>22</u>	<u>–</u>	<u>22</u>
Depreciation of right-of-use assets	<u>190</u>	<u>48</u>	<u>–</u>	<u>238</u>
Allowance for expected credit losses on trade receivables	<u>9</u>	<u>–</u>	<u>–</u>	<u>9</u>
Allowance for expected credit losses on contract assets	<u>22</u>	<u>–</u>	<u>–</u>	<u>22</u>
Allowance for expected credit losses on loan and interest receivables	<u>–</u>	<u>2</u>	<u>–</u>	<u>2</u>
Allowance for expected credit losses on finance lease receivables	<u>2,076</u>	<u>–</u>	<u>–</u>	<u>2,076</u>
Reversal of allowance for expected credit losses on trade receivables	<u>(10)</u>	<u>–</u>	<u>–</u>	<u>(10)</u>
Reversal of allowance for expected credit losses on loan and interest receivables	<u>–</u>	<u>(4)</u>	<u>–</u>	<u>(4)</u>
Reversal of allowance for expected credit losses on finance lease receivables	<u>(279)</u>	<u>–</u>	<u>–</u>	<u>(279)</u>
Gain on disposal of a subsidiary	<u>–</u>	<u>–</u>	<u>(50)</u>	<u>(50)</u>

## Geographical information

The Group operates in Mainland China and Hong Kong.

The Group's revenue from external customers and information about its non-current assets by geographical location are detailed below:

	Revenue from external customers		Non-current assets	
	2023 HK\$'000	2022 HK\$'000	2023 HK\$'000	2022 HK\$'000
Mainland China	29,679	23,306	6,931	11,410
Hong Kong	9	–	1,583	–

## Information about major customers

Included in the Group's revenue of approximately HK\$29,688,000 (2022: HK\$23,306,000), the revenue of approximately HK\$26,658,000 (2022: HK\$15,317,000) were generated from three (2022: two) customers of the segment of Energy Saving Business which individually contributed 10% or more of the Group's revenue for the year.

Revenue from the said major customers, each of them contributed 10% or more of the Group's revenue, are set out below:

	2023 HK\$'000	2022 HK\$'000
Customer A (Note (a))	13,162	–
Customer B (Note (a))	10,272	–
Customer C	3,224	12,451
Customer D (Note (b))	–	2,866

Notes:

- (a) Information on revenue for the year ended 31 December 2022 is not disclosed for two customers since none of them contributed 10% or more of the Group's revenue for the year ended 31 December 2022.
- (b) Information on revenue for the year ended 31 December 2023 is not disclosed for this customer since it contributed less than 10% of the Group's revenue for the year ended 31 December 2023.

## 5. REVENUE

Revenue represents the aggregate of the amounts received and receivable from third parties for income from design and provision of energy saving solutions and loan financing business. Revenue recognised during the years are as following:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
<b>Revenue from contracts with customers</b>		
– Energy saving solutions income	28,970	22,918
– Repair and maintenance service income	<u>709</u>	<u>388</u>
Total revenue from contracts with customers	29,679	23,306
Add: Interest income under HKFRS 9	<u>9</u>	<u>–</u>
	<u><u>29,688</u></u>	<u><u>23,306</u></u>
Timing of revenue recognition:		
A point in time	1,521	1,616
Over time	<u>28,158</u>	<u>21,690</u>
	<u><u>29,679</u></u>	<u><u>23,306</u></u>

## 6. OTHER INCOME

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Bank interest income	22	28
Interest income on finance lease receivables	–	20
Written off of other payables	530	–
Government grants ( <i>Note</i> )	–	306
Others	<u>14</u>	<u>65</u>
	<u><u>566</u></u>	<u><u>419</u></u>

*Note:*

During the year ended 31 December 2022, the Group recognised government grant of approximately HK\$72,000 in respect of COVID-19-related subsidies which is related to Employment Support Scheme provided by the Hong Kong government, and approximately HK\$234,000 in respect of government grant for High-tech Enterprise in the PRC.

## 7. FINANCE COSTS

	<b>2023</b> <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Interest expenses on other borrowings	749	2,053
Interest expenses on lease liabilities	27	8
	<u>776</u>	<u>2,061</u>

## 8. LOSS BEFORE TAXATION

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

	<b>2023</b> <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Staff costs (including directors' remuneration)		
– Directors' fees	1,680	1,236
– Salaries, bonus and wages	4,692	4,992
– Contribution to retirement benefits schemes	244	171
	<u>6,616</u>	<u>6,399</u>
Auditors' remuneration		
– Audit services	750	750
Written off of finance lease receivables	–	26,218
Depreciation of property, plant and equipment	22	–
Depreciation of right-of-use assets	238	–
Expenses relating to short-term lease	275	132
Net allowances for expected credit losses on trade receivables, contract assets, loan and interest receivables and finance lease receivables		
– Allowance for expected credit losses on trade receivables	9	13,843
– Allowance for expected credit losses on contract assets	22	6
– Allowance for expected credit losses on loan and interest receivables	2	–
– Allowance for expected credit losses on finance lease receivables	2,076	678
– Reversal of allowance for expected credit losses on trade receivables	(10)	(13)
– Reversal of allowance for expected credit losses on loan and interest receivables	(4)	–
– Reversal of allowance for expected credit losses on finance lease receivables	(279)	(873)
	<u>1,816</u>	<u>13,641</u>

## 9. INCOME TAX

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Tax for the year	<u>          -</u>	<u>          -</u>

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.

### (i) Hong Kong Profits Tax

Under the two-tiered profits tax rates regime, the first HK\$2 million of assessable profits of qualifying corporations will be taxed at 8.25%, and assessable profits above HK\$2 million will be taxed at 16.5%. The assessable profits of corporation not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. The two-tiered profits tax rates regime is applicable to the Group for the years ended 31 December 2022 and 2023.

There was no provision for profit tax as no assessable profit was generated for the both years.

### (ii) PRC Enterprise Income Tax

The subsidiaries of the Group established in the PRC is generally subject to PRC Enterprise Income Tax on its taxable income at an income tax rate of 25%. One of the Company's subsidiaries in the PRC is qualified as a High Technology Enterprise since 18 November 2021 and enjoys PRC Enterprise Income Tax rate of 15%.

## 10. DIVIDEND

The Directors do not recommend payment of any dividends for the year ended 31 December 2023 (2022: Nil).

## 11. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to the owners of the Company is based on the following data:

	<b>2023</b> <i>HK\$'000</i>	2022 <i>HK\$'000</i>
<b>Loss</b>		
Loss attributable to the owners of the Company for the purpose of basic and diluted loss per share	<u>(12,567)</u>	<u>(51,972)</u>
	<b>2023</b> <b>'000</b>	2022 '000 (Restated)
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	<u>102,546</u>	<u>69,711</u>

The weighted average number of ordinary shares for the purpose of calculating basic loss per share for the year ended 31 December 2023 has been adjusted for the effects of rights issue of shares, placing of shares and share consolidation completed on 16 January 2023, 12 July 2023 and 8 February 2024 respectively.

In addition to the adjustment that has already made for the effect of rights issue of shares completed on 16 January 2023, the weighted average number of ordinary shares for the purpose of calculating basic loss per share for the year ended 31 December 2022 was further restated for the effect of share consolidation completed on 8 February 2024 retrospectively.

For the years ended 31 December 2023 and 2022, the computation of diluted loss per share did not assume the exercise of the Company's share options as the exercise price of these options was higher than the average market price of shares for both years.

## 12. INTANGIBLE ASSETS

	<b>Money lending license</b> <i>HK\$'000</i>	<b>Patents</b> <i>HK\$'000</i>	<b>Total</b> <i>HK\$'000</i>
<b>Cost</b>			
At 1 January 2022, 31 December 2022 and 1 January 2023	–	889,901	889,901
Acquisition of a subsidiary ( <i>Note</i> )	501	–	501
	<u>501</u>	<u>–</u>	<u>501</u>
<b>At 31 December 2023</b>	<b><u>501</u></b>	<b><u>889,901</u></b>	<b><u>890,402</u></b>
<b>Accumulated depreciation</b>			
At 1 January 2022, 31 December 2022, 1 January 2023 and 31 December 2023	–	889,901	889,901
	<u>–</u>	<u>889,901</u>	<u>889,901</u>
<b>Carrying amounts</b>			
<b>At 31 December 2023</b>	<b><u>501</u></b>	<b><u>–</u></b>	<b><u>501</u></b>
At 31 December 2022	<u>–</u>	<u>–</u>	<u>–</u>

*Note:*

The money lending license was acquired through the acquisition of Building Loan (Hong Kong) Limited during the year ended 31 December 2023. The principal activity of Building Loan (Hong Kong) Limited is the provision of loan financing.

Money lending license classified as the Group's intangible asset at the cost of HK\$501,000 (2022: nil) at 31 December 2023 is assessed as having indefinite useful life on the basis that although the license has a limited term of 1 year, it would be able to be renewed annually at minimal cost. The Directors are of the opinion that the Group would renew the license continuously and any conditions necessary for the renewal would be fulfilled at the time of renewal. The license will not be amortised until its useful life is determined to be finite.



**13. FINANCE LEASE RECEIVABLES**

	<b>2023</b> <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Current portion of finance lease receivables	<b>28,229</b>	32,751
Non-current portion of finance lease receivables	<b>11,558</b>	12,631
	<u><b>39,787</b></u>	<u>45,382</u>
Less: Allowance for expected credit losses	<u><b>(28,794)</b></u>	<u>(31,058)</u>
	<u><b>10,993</b></u>	<u>14,324</u>

Analysed for reporting purposes as:

	<b>2023</b> <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Non-current assets	<b>6,743</b>	11,410
Current assets	<b>4,250</b>	2,914
	<u><b>10,993</b></u>	<u>14,324</u>

**14. TRADE RECEIVABLES**

	<b>2023</b> <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Trade receivables with normal credit terms	<b>55,074</b>	57,880
Less: Allowance for expected credit losses	<u><b>(54,132)</b></u>	<u>(55,244)</u>
	<u><b>942</b></u>	<u>2,636</u>

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

	<b>2023</b> <i>HK\$'000</i>	2022 <i>HK\$'000</i>
0-90 days	<b>908</b>	2,604
91-180 days	<b>18</b>	32
Over 180 days	<b>16</b>	–
	<u><b>942</b></u>	<u>2,636</u>

## 15. CONTRACT ASSETS

	<b>2023</b> <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Unbilled receivables ( <i>Note</i> )	<b>2,842</b>	2,027
Less: Allowance for expected credit losses	<u>(28)</u>	<u>(6)</u>
	<u><b>2,814</b></u>	<u>2,021</u>

*Note:*

Unbilled receivables included in contract assets represent the Group's rights to receive consideration for work completed but not yet billed because the rights are conditional upon the satisfaction by the customers on the construction work completed by the Group and the work is pending for the certification by the customers. The contract assets are transferred to the trade receivables when the rights become unconditional, which is typically at the time the Group obtains the certification of the completed construction work from the customers.

## 16. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	<b>2023</b> <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Prepayments	<b>2,436</b>	9,469
Receivable from disposal of a subsidiary ( <i>Note</i> )	–	9,200
Other receivables	<b>19</b>	20
Refundable rental deposits and other deposits	<u><b>340</b></u>	<u>4,296</u>
	<u><b>2,795</b></u>	<u>22,985</u>
Less: Allowance for expected credit loss ( <i>Note</i> )	<u>–</u>	<u>(9,200)</u>
	<u><b>2,795</b></u>	<u>13,785</u>

*Note:*

As at 31 December 2023, the receivable from disposal of a subsidiary and its related allowance for expected credit loss of HK\$9,200,000 were written off respectively.

## 17. TRADE AND OTHER PAYABLES

	<b>2023</b>	2022
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Trade payables	<b>891</b>	2,738
Accrued expenses ( <i>Note</i> )	<b>1,172</b>	1,800
Interest payables	<b>133</b>	4,584
Other payables	<b>366</b>	411
	<u><b>2,562</b></u>	<u>9,533</u>

*Note:*

During the year ended 31 December 2023, there was a write-off of long outstanding balance of accrued commission expense of approximately HK\$530,000.

The ageing analysis of trade payables is based on the invoice date as follows:

	<b>2023</b>	2022
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
0 – 90 days	<b>809</b>	2,504
91 – 180 days	–	–
181 – 365 days	–	–
Over 365 days	<b>82</b>	234
	<u><b>891</b></u>	<u>2,738</u>

Trade payables are interest-free and normally settled on delivery. The average credit period for purchase of goods is 90 days.

## 18. CONTRACT LIABILITIES

	<b>2023</b> <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Energy saving solutions income	–	8,819
Repair and maintenance service income	<u>2,122</u>	<u>–</u>
	<u><b>2,122</b></u>	<u>8,819</u>

Analysed for the reporting purposes as:

	<b>2023</b> <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Current liabilities	<u><b>2,122</b></u>	<u>8,819</u>

Contract liabilities, that are not expected to be settled within the Group's normal operating cycle, are classified as current and non-current based on the Group's earliest obligation to transfer goods or services to the customers.

The following table shows how much of the revenue recognised relates to carried-forward contract liabilities and how much relates to performance obligations that were satisfied in prior periods.

	<b>2023</b> <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Beginning of the year	<b>8,819</b>	935
Decrease in contract liabilities as a result of recognizing revenue during the year that was included in the contract liabilities balance at the beginning of the year	<b>(8,819)</b>	(935)
Increase in contract liabilities as a result of receiving receipts in advances	<u>2,122</u>	<u>8,819</u>
End of the year	<u><b>2,122</b></u>	<u>8,819</u>

## 19. SHARE CAPITAL

	Number of shares		Share capital	
	2023	2022	2023	2022
	'000	'000	HK\$'000	HK\$'000
Issued and fully paid:				
At the beginning of the year	<b>627,997</b>	523,331	<b>3,201,626</b>	3,177,339
Rights issue of shares ( <i>Note (a)</i> )	<b>313,999</b>	–	<b>29,248</b>	–
Placing of shares ( <i>Note (b)</i> )	<b>188,288</b>	104,666	<b>7,085</b>	24,287
	<u><b>1,130,284</b></u>	<u>627,997</u>	<u><b>3,237,959</b></u>	<u>3,201,626</u>

### Notes:

#### (a) Rights issue of shares

On 16 January 2023, the Company completed a rights issue of shares and issued 313,998,544 right shares at a subscription price of HK\$0.10 per right share on the basis of one rights share for every two existing shares held on the record date, and the net proceeds of the rights issue, after deducting the professional fees and all other relevant expenses of approximately HK\$2,152,000, were approximately HK\$29,248,000 which were intended to be used for (i) repayment of the outstanding borrowings; (ii) existing and new energy saving projects; and (iii) general working capital of the Group. Details of the rights issue were set out in the Company's announcements dated 28 November 2022, 20 December 2022 and 13 January 2023.

#### (b) Placing of shares

On 12 July 2023, the Company placed 188,288,000 placing shares at the placing price of HK\$0.04 per placing share. The net proceeds of approximately HK\$7,085,000, after deducting the transaction costs of approximately HK\$447,000, were intended to be used for general working capital of the Group. Details of the placing of shares were set out in the Company's announcements dated 7 June 2023, 26 June 2023 and 12 July 2023.

On 13 October 2022, the Company placed 104,666,181 placing shares at the placing price of HK\$0.238 per placing share. The net proceeds of approximately HK\$24,287,000, after deducting the transaction costs of approximately HK\$623,000, were intended to be used for repayment of current liabilities and general working capital of the Group. Details of the placing of shares were set out in the Company's announcements dated 5 September 2022, 29 September 2022 and 13 October 2022.

## 20. DISPOSAL OF A SUBSIDIARY

On 26 April 2023, the Company entered into the sale and purchase agreement with an independent third party to dispose of its entire equity interest in a directly wholly owned subsidiary, CCIAM Coating Company Limited (信能塗膜有限公司) with the total consideration of HK\$5,050,000 (the “Disposal”). The Disposal was completed on 27 April 2023.

Analysis of assets and liabilities derecognised from the consolidated financial statements at the date of completion of the disposal:

### Net assets derecognised

	<i>HK\$'000</i>
Cash consideration	<u>5,050</u>
Analysis of assets and liabilities over which control was lost:	
Cash and bank balances	5,000
Amount due to holding company	<u>(5,000)</u>
Net assets disposed of	–
Gain on disposal of the subsidiary:	
Consideration received and receivables	5,050
Net assets disposed of	–
Waiver of amount due to holding company	<u>(5,000)</u>
Gain on disposal of the subsidiary	50
Cash consideration received	5,050
Less: bank balances and cash disposed of	<u>(5,000)</u>
Net cash disposed of	<u><u>50</u></u>

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS REVIEW AND PROSPECTS**

The Group is principally engaged in the design and provision of energy saving solutions, provision of loan financing services and treasury investments.

For the year ended 31 December 2023, the Group recorded a total revenue of approximately HK\$29,688,000 (2022: approximately HK\$23,306,000), an increase of 27% when compared to last year, while the losses were approximately HK\$12,567,000 (2022: approximately HK\$51,972,000), an improvement of 76%.

#### **Design and provision of energy saving solutions**

In 2023, the Group continued its business, which involved the installation of heating, ventilation, and air conditioning system and the provision of related maintenance services in the People's Republic of China (the "PRC").

Our customers mainly include the owners and developers of, and the management companies for, commercial properties like hotels, office buildings, shopping malls and industrial plants. In 2023, the PRC's economy has gradually returned to normal from the impact of the pandemic and the Group could benefit from such recovery. The revenue of this segment has increased by 27%, reaching approximately HK\$29,679,000 (2022: approximately HK\$23,306,000).

Taking advantage of relatively small expected credit losses or written-off of financial assets when compared to the previous year, the loss for this segment for the current year has been reduced to approximately HK\$4,967,000 (2022: approximately HK\$44,131,000), an improvement of 89%.

The Group would continue its collection procedures including legal actions to recover its trade receivables and financial lease receivables. In 2023, the movement of the expected credit losses was mainly related to the financial lease receivable which involved the following project:

<b>Project</b>	<b>Carrying amount as at 31 December 2022 RMB</b>	<b>Expected credit loss for the year RMB</b>	<b>Settlement during the year RMB</b>	<b>Carrying amount as at 31 December 2023 RMB</b>	<b>Settlement after 31 December 2023 RMB</b>
Zhang Ye Project	<u>2,079,000</u>	<u>(1,879,000)</u>	<u>-</u>	<u>200,000</u>	<u>200,000</u>

Details of Zhang Ye Project are described below:

The Group was engaged in installing the energy storage and heating systems for school(s) and the government office building(s) of Zhang Ye City in Gansu Province of the PRC.

Pursuant to the service contract dated 27 February 2017, the Group is entitled to revenue that was calculated based on the completion area of installation and the prescribed rates for a period of 20 years (the “**Period**”).

According to the supplemental agreement entered in March 2019, the Period was shortened to four years. During that period, the Group was entitled to receive a total of approximately RMB6,813,000 regardless of the completion area of the installation. Up to 31 December 2020, the Group had received a total of RMB1,160,000 with an outstanding balance of approximately RMB5,653,000 remaining to be paid.

On 1 March 2022, both parties entered into a new supplemental agreement pursuant to which the outstanding balance of approximately RMB5,653,000 was adjusted to RMB4,800,000. For the year ended 31 December 2022, in consideration of only RMB800,000 was received during that year, the independent valuer (“**Valuer**”) suggested that the carrying value of this receivable should be impaired to RMB2,079,000 as at 31 December 2022.



The Group received no payments during the year ended 31 December 2023 but received a subsequent settlement of RMB200,000 in February 2024. After discussion with the Valuer, the Group has made the net provision of RMB1,879,000 during the year ended 31 December 2023.

The Group has negotiated with the contractor to restructure the payment schedule for the outstanding balance.

### **Loan financing**

The Group has a proven track record of loan financing business, and the Company has continued to be a holder of money lenders license under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong) for more than a decade. Considering the uncertainty and the highly competitive money lending market in Hong Kong over the past few years, the Group has adopted a prudent approach in the business development in the loan financing business. Following the economy recovery from the post-pandemic period, which led to increasing demand for the loan financing services, and with the recent high interest rate environment that would contribute the Group higher return for this service, the Group has resolved to resume its loan financing business in late 2023.

The Group's target customers include individuals and entities and will mainly focus on personal loans, mortgage loans and term loans. The source of clients is mainly from the business referrals of the senior management of the Group, designated referral agent, and/or walk-in clients from the marketing plans to be launched by the Group. The loan size of each application will be determined after the credit risk assessment.

As at 31 December 2023, four loans had been granted to an entity and individuals who are third parties independent to and not connected with the Group and its connected persons. The aggregate principal amount of the loans was approximately HK\$388,000.

### **Treasure Investments**

With respect to the treasury investments business, the Company is in the process of locating opportunities for this segment. However, there is no desirable opportunity raised for the Group for the time being. The Group will continue to explore business opportunities in the market to develop its business.

## **Prospects**

The Group will continue its energy saving solution services in the PRC market. Without the pandemic in the PRC, its GDP recorded a growth of 5.2% for 2023, which is better than the market's expectation. Under energy saving solution business, the Group's customers include the owners and managers of commercial properties including hotels, shopping malls and industrial plants. Though uncertainty still surrounds the mainland market, it is generally believed that the PRC still has various positive factors to support its economic growth in the long run, which would be favorable conditions for the economic development and the Group's energy saving solution services in that market.

Because of the increasing awareness of environmental protection and carbon emission commitment across the countries, the Group would also explore other business opportunities for its energy saving or utilization projects in Hong Kong and overseas. In March 2024, the Group entered a master contract regarding heat-insulating and energy-saving solution service for certain buildings in Hong Kong and Macau.

As for the loan financing business, with the introduction of the new policies and guidelines to regulate the money lending industry in recent years by the government of Hong Kong, the Group regards it as a positive movement as it provides the Group with a health market for its loan financing business development. Also, the global interest rates are generally expected to follow a downward trend. The government of Hong Kong has removed all property cooling measures in Hong Kong since 28 February 2024. All these factors would benefit the lending activities of the territory, as well as the Group's mortgage financing service under its loan financing business. The number of clients under the Group's loan financing business has increased from 4 at 31 December 2023 to more than 50 as at the date of this announcement.

## **TOTAL ASSETS AND TOTAL LIABILITIES**

As at 31 December 2023, the total assets of the Group was approximately HK\$57,913,000 (2022: approximately HK\$60,171,000). As at 31 December 2023, the decreases in balance of (i) prepayment for its recognition of approximately HK\$10,858,000 as the cost of sales; and (ii) the financial lease receivables against which a net expected credit loss of approximately HK\$1,797,000 was provided, were not fully offset by the increase of approximately HK\$11,001,000 in bank balance and cash, and this was the main reason for the decrease in total assets as at 31 December 2023.

As at 31 December 2023, total liabilities of the Group was decreased to approximately HK\$15,334,000 (2022: approximately HK\$40,726,000). The reasons for the decrease were mainly attributable to the repayment of the other borrowing and the recognition of contract liabilities as sales during the year ended 31 December 2023.

## **FOREIGN EXCHANGE EXPOSURE**

The Group conducts its business transactions mainly in the PRC and Hong Kong. The Group's business activities as well as its assets and liabilities were mainly denominated in Renminbi (“**RMB**”) and Hong Kong Dollars (“**HK\$**”). Hong Kong Dollars is the Group's presentation currency. Therefore, the Group is exposed to potential foreign exchange risk as a result of fluctuation of RMB against Hong Kong Dollars. The Group did not consider its foreign exchange risk material during the year ended 31 December 2023. The management will closely monitor foreign exchange exposure and will consider hedging its foreign currency exposure should the need arise.

## **LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE**

For the year ended 31 December 2023, the Group financed its operations mainly through internally generated cashflows, issuance of a bond and proceeds from rights issues and placing of new shares. As at 31 December 2023, the Group had net current assets of approximately HK\$34,283,000 (2022: approximately HK\$8,035,000). As at 31 December 2023, the Group's cash and bank balances amounted to approximately HK\$37,986,000 (2022: approximately HK\$26,985,000).

As at 31 December 2023, the gearing ratio, being the ratio of other borrowing of HK\$10,000,000 (2022: HK\$22,374,000) to the total assets of approximately HK\$57,913,000 (2022: HK\$60,171,000), was 17.3% (2022: 37.2%).

As at 31 December 2023, the other borrowing was a bond payable of HK\$10,000,000 with a coupon rate of 8% per annum (2022: HK\$22,374,000).

For the year ended 31 December 2023, the share capital of the Company is only comprised of ordinary shares (“**Shares**”). The Company has completed the rights issue of 313,998,544 and placing of 188,288,000 new Shares on 16 January 2023 and 12 July 2023, respectively. As at 31 December 2023, the number of issued ordinary shares of the Company was 1,130,283,633 Shares (2022: 627,997,089 Shares).

## **CHARGE ON GROUP ASSETS AND CONTINGENT LIABILITIES**

As at 31 December 2023, the Group did not have material contingent liabilities and charge on its assets (2022: immaterial).

## **CAPITAL COMMITMENT**

As at 31 December 2023, the Group had capital commitments, which were contracted but not provided for, in respect of construction contract of approximately HK\$3,695,000 (2022: approximately HK\$954,000).

## **MATERIAL INVESTMENTS, ACQUISITION AND DISPOSALS**

Other than those disclosed in this announcement, there were no material investments, acquisitions or disposals of subsidiaries during the year ended 31 December 2023.

## **STAFF AND REMUNERATION**

As at 31 December 2023, the Group had 20 (2022: 14) employees. Total staff costs including directors' remuneration during the year ended 31 December 2023 amounted to approximately HK\$6,616,000 (2022: approximately HK\$6,399,000). The Group offers competitive remuneration packages to its employees including pension fund schemes and share options granted or to be granted under the share option scheme of the Company.

## **EVENTS AFTER REPORTING PERIOD**

### **The share consolidation became effective on 8 February 2024 (the "Share Consolidation")**

On 18 January 2024, the Company proposed to implement the Share Consolidation on the basis that every ten (10) existing Shares to be consolidated into one (1) share (the "**Consolidated Share**") and the existing board lot of 8,000 Shares remains unchanged upon the Share Consolidation becoming effective.

The extraordinary general meeting of the Company was convened and held on 6 February 2024 for the shareholders to consider and, if thought fit, approve the Share Consolidation. The shareholders of the Company passed an ordinary resolution approving the Share Consolidation at the extraordinary general meeting and the Share Consolidation became effective on 8 February 2024.

Details of the Share Consolidation were set out in the announcements of the Company dated 18 January 2024 and 6 February 2024 and the circular of the Company dated 19 January 2024.

### **The proposed rights issue (the “2024 Rights Issue”)**

On 18 January 2024, the Company proposed to raise funds by way of rights issue at the subscription price of HK\$0.35 per Consolidated Share on the basis of one (1) rights share for every two (2) Consolidated Shares in issue. In addition, the Company and the placing agent entered into the placing agreement in relation to the placing of the unsubscribed rights shares to independent placees on a best effort basis during the placing period.

As at the date of this announcement, the 2024 Rights Issue was in progress and not completed. Further announcements will be updated in the future if applicable.

Details of the 2024 Rights Issue were set out in the announcements of the Company dated 18 January 2024 and 13 March 2024 and the prospectus of the Company dated 23 February 2024.

### **PURCHASE, SALE OR REDEMPTION OF SHARES**

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities during the year ended 31 December 2023.

### **CORPORATE GOVERNANCE CODE**

Throughout the year, 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 of the Stock Exchange save for the following deviations:

Under code provision A.2.1 of the CG Code, the roles of 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 year on the ground that the functions of the chairman and CE are performed by the four executive Directors collectively. The Board will review the current practice from time to time and make appropriate changes if considered necessary.

Under code provision A.2.7 of the CG Code, the chairman of the board should at least annually hold meetings with the non-executive directors (including independent non-executive directors) without the executive directors present. As the Company does not have a chairman, no such meeting was held in the year.

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 independent non-executive Directors were absent from the last annual general meeting of the Company held on 2 June 2023 due to their other important engagements at the relevant time.

## **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 year.

## **CLOSURE OF REGISTER OF MEMBERS**

The register of members will be closed from Tuesday, 4 June 2024 to Friday, 7 June 2024, both days inclusive, during which period no transfer of shares will be effected. In order to be eligible to attend and vote at the forthcoming annual general meeting, all completed share transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrar, Tricor Tengis Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Monday, 3 June 2024.

## **AUDIT COMMITTEE REVIEW**

The committee of the Company (the “**Audit Committee**”) consists of three independent non-executive Directors, namely Ms. Yuen Wai Man (the chairman of the Audit Committee), Mr. Yeung Wai Hung, Peter and Ms. Li Liming.

The primary duties of the Audit Committee are to review the Group's annual reports and accounts, half-year reports and internal control and risk management systems, and to review significant financial reporting judgments contained in its reports and to provide advice and comments thereon to the Board.

The final results for the year ended 31 December 2023 of the Company have been reviewed by the Audit Committee.

## **SCOPE OF WORK OF HLB HODGSON IMPEY CHENG LIMITED**

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 December 2023 have been agreed by the Group's auditors, HLB Hodgson Impey Cheng Limited, to the amounts set out in the Group's consolidated financial statements for the year ended 31 December 2023. The work performed by HLB Hodgson Impey Cheng Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently, no assurance has been expressed by HLB Hodgson Impey Cheng Limited on the preliminary announcement.

### **Publication of financial statements required under section 436 of the Companies Ordinance**

The financial information relating to the financial years ended 31 December 2022 and 31 December 2023 respectively, of the Group as set out in the Results Announcement does not constitute the statutory annual consolidated financial statements of the Group of the said 2 financial years. Further information relating to those statutory financial statements required to be disclosed in accordance with section 436 of the Companies Ordinance is as follows:

The Company has delivered the statutory annual consolidated financial statements for the year ended 31 December 2022 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance.

The Company's independent auditor has reported on those financial statements. The independent auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Companies Ordinance.

By order of the Board  
**CCIAM Future Energy Limited**  
**Chong Kok Leong**  
*Executive Director*

Hong Kong, 26 March 2024

*As at the date hereof, the Board comprises Mr. Cheng Lut Tim, Mr. Chong Kok Leong, Mr. Mok Tsan San and Mr. Zhuang Miaozhong being the executive Directors; and Ms. Li Liming, Mr. Yeung Wai Hung, Peter and Ms. Yuen Wai Man being the independent non-executive Directors.*