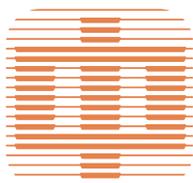


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## **CHAMPION TECHNOLOGY HOLDINGS LIMITED**

**冠軍科技集團有限公司**

*(Continued in Bermuda with limited liability)*

**(Stock Code: 92)**

**(1) PROPOSED CAPITAL REDUCTION OF ISSUED SHARES  
AND SUB-DIVISION OF UNISSUED SHARES;  
AND  
(2) PROPOSED ADOPTION OF NEW BYE-LAWS**

**(1) PROPOSED CAPITAL REDUCTION OF ISSUED SHARES AND SUB-DIVISION OF UNISSUED SHARES**

The Company proposes to implement the Capital Reduction involving the reduction of the par value of each issued Share from HK\$0.10 to HK\$0.01 by cancelling the paid up share capital to the extent of HK\$0.09 per issued Share so that following such reduction, each issued Share with a par value of HK\$0.10 in the share capital of the Company shall become one New Share with a par value of HK\$0.01. The credit arising from the Capital Reduction will be transferred to the Contributed Surplus Account and the Contributed Surplus Account will be applied towards offsetting the Accumulated Losses of the Company as at the Effective Date, thereby reducing the accumulated losses of the Company. The balance of the credit (if any) of the Contributed Surplus Account after offsetting the Accumulated Losses will be applied by the Company in any manner as permitted by all applicable laws and the Bye-laws.

Immediately following the Capital Reduction becoming effective, each authorised but unissued Share will be sub-divided into ten (10) unissued New Shares with a par value of HK\$0.01 each.

The Capital Reduction and the Sub-division are conditional upon fulfillment of the conditions contained in the section headed “Conditions of the Capital Reduction and the Sub-division” in this announcement.

## (2) PROPOSED ADOPTION OF NEW BYE-LAWS

The Board proposes to amend the Bye-laws to, among others, (i) allow a general meeting to be held as an electronic meeting (also referred to as a virtual general meeting) or a hybrid meeting; (ii) bring the Bye-laws in line with amendments made to Listing Rules and applicable laws and procedures of Bermuda; and (iii) make certain minor housekeeping amendments to the Bye-laws for the purpose of clarifying existing practice and making consequential amendments in line with the amendments to the Bye-laws. The proposed adoption of the New Bye-laws is subject to the passing of a special resolution.

A circular containing, among other matters, details of the Capital Reduction, the Sub-division and the proposed adoption of the New Bye-laws, together with a notice of SGM and the related proxy form, will be sent to the Shareholders on or before 6 May 2022.

## (1) PROPOSED CAPITAL REDUCTION OF ISSUED SHARES AND SUB-DIVISION OF UNISSUED SHARES

As at the date of this announcement, the authorised share capital of the Company is HK\$1,600,000,000 divided into 16,000,000,000 Shares of par value HK\$0.10 each, of which 2,735,323,392 Shares have been issued and are fully paid or credited as fully paid. The Board proposes the Capital Reduction and the Sub-division to be implemented in the following manner:

- (i) the par value of each of the issued Shares be reduced from HK\$0.10 to HK\$0.01 per issued Share by cancelling the paid up share capital to the extent of HK\$0.09 per issued Share;
- (ii) the transfer of the credit arising from the Capital Reduction to the Contributed Surplus Account;
- (iii) the application of the Contributed Surplus Account towards offsetting the accumulated losses (the “**Accumulated Losses**”) of the Company as at the Effective Date, thereby reducing the accumulated losses of the Company. The balance of the credit (if any) of the Contributed Surplus Account after offsetting the Accumulated Losses will be applied by the Company in any manner as permitted by all applicable laws and the Bye-laws;
- (iv) immediately following the Capital Reduction becoming effective, each of the authorised but unissued Shares with par value of HK\$0.10 each be sub-divided into 10 New Shares with par value of HK\$0.01 each; and
- (v) each of the New Shares arising from the Capital Reduction and Sub-division shall rank *pari passu* in all respects with each other and will have rights and privileges and be subject to the restrictions contained in the Bye-laws.

Assuming there will be no change in the issued share capital of the Company from the date of this announcement up to the date on which the Capital Reduction and the Sub-division become effective, the share capital structure of the Company will be as follows:

	<b>As at the date of this announcement</b>	<b>Immediately after the Capital Reduction and the Sub-division becoming effective</b>
Par value	HK\$0.10 per Share	HK\$0.01 per New Share
Amount of the authorised share capital	HK\$1,600,000,000	HK\$1,600,000,000
Number of authorised shares	16,000,000,000 Shares	160,000,000,000 New Shares
Amount of the issued share capital	HK\$273,532,339.20	HK\$27,353,233.92
Number of issued shares	2,735,323,392 Shares	2,735,323,392 New Shares

As at the date of this announcement, 2,735,323,392 Shares have been issued and are fully paid or credited as fully paid. Assuming that the par value of each of the 2,735,323,392 issued Shares will be reduced from HK\$0.10 to HK\$0.01 per issued Share by cancelling the paid up share capital to the extent of HK\$0.09 per issued Share by way of a reduction of capital, so as to form issued New Shares with par value of HK\$0.01 each, the Company's existing issued share capital of HK\$273,532,339.20 will be reduced by HK\$246,179,105.28 to HK\$27,353,233.92.

As at the date of this announcement, no share options have been granted under the share option scheme of the Company adopted by the Shareholders on 30 November 2012. Accordingly, the Company does not have any outstanding share options of which the exercise price or the number of Shares subject to the options shall be adjusted as a result of the Capital Reduction and/or the Sub-division.

### **Reasons for and effects of the Capital Reduction and the Sub-division**

The proposed Capital Reduction and Sub-division will enable the par value of the Shares to be reduced from HK\$0.10 to HK\$0.01 each. The credit arising from the Capital Reduction will be transferred to the Contributed Surplus Account and the Contributed Surplus Account will be applied towards offsetting the Accumulated Losses of the Company as at the Effective Date, thereby reducing the accumulated losses of the Company. The balance of the credit (if any) of the Contributed Surplus Account after offsetting the Accumulated Losses will be applied by the Company in any manner as permitted by all applicable laws and the Bye-laws.

The Board is of the opinion that the proposed Capital Reduction will give greater flexibility to the Company to raise fresh capital, to declare dividends and/or to undertake any corporate exercise which requires the use of distributable reserves in the future, subject to the Company's performance and when the Board considers that it is appropriate to do so in the future.

As disclosed in the interim report of the Company for the six months ended 31 December 2021, the oil trading business of the Group is highly cash dependent and the Group has also been actively developing its technology and renewable energy business. In this regard, the Directors are minded to seek more capital to capture the opportunities in these businesses and may need to raise approximately HK\$50 million for the oil trading business, approximately HK\$10 million for the technology and renewable energy business and approximately HK\$20 million for replenishing the working capital by way of equity and/or debt financing. As at the date of this announcement, the Board has no detailed proposal or plan for such fund raising activities.

It is important for Shareholders to note that, at this stage, there can be no assurance that any dividends will be declared or paid in the future, or that the Company will issue New Shares, even if the Capital Reduction and the Sub-division take effect.

As such, the Directors are of the view that the Capital Reduction and the Sub-division are in the best interests of the Company and its Shareholders as a whole.

Save for the transfer of the credit arising from the Capital Reduction to the Contributed Surplus Account and the application of the Contributed Surplus Account towards offsetting the Accumulated Losses of the Company and the expenses to be incurred in relation to the Capital Reduction and the Sub-division, the Directors consider that the Capital Reduction and the Sub-division will have no effect on the underlying assets, business operations, management or financial position of the Company or the proportional interests of the Shareholders in the Company.

As at the date of this announcement, apart from possible fund raising exercises, the Company has no intention to carry out other corporate action or arrangement, including share consolidation, share subdivision and capital reduction, in the next 12 months.

### **Conditions of the Capital Reduction and the Sub-division**

The Capital Reduction and the Sub-division are conditional on the following conditions being fulfilled:

- (i) the Shareholders' approval by way of special resolution at the SGM to be convened and held to consider and, if thought fit, approve, among other things, the Capital Reduction and the Sub-division;

- (ii) compliance with section 46(2) of the Companies Act, including (a) the publication of a notice of the Capital Reduction in an appointed newspaper in Bermuda on a date not more than thirty days and not less than fifteen days before the Effective Date; and (b) the Directors being satisfied that on the Effective Date, there are no reasonable grounds for believing that the Company is, or after the Capital Reduction will be, unable to pay its liabilities as they become due;
- (iii) compliance with the relevant legal procedures and requirements under the Companies Act and the Bye-laws to effect the Capital Reduction and the Sub-division; and
- (iv) the Listing Committee granting the listing of, and permission to deal in, the New Shares arising from the Capital Reduction and the Sub-division.

The Capital Reduction and the Sub-division will become effective when the conditions mentioned above are fulfilled. Subject to the fulfilment of the above conditions, it is expected the Capital Reduction and the Sub-division will become effective on the second Business Day following the date of passing of the special resolution to approve the Capital Reduction and the Sub-division, or such other date as the Directors may determine.

#### **Listing of and dealings in the New Shares**

Application will be made to the Listing Committee for the listing of, and permission to deal in, the New Shares arising from the Capital Reduction and the Sub-division.

The New Shares will be identical in all respects and rank *pari passu* in all respects with each other as to all future dividends and distributions which are declared, made or paid. Subject to the granting of the listing of, and permission to deal in, the New Shares on the Stock Exchange, the New Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the New Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

None of the share capital or debt securities of the Company is listed or dealt in on any other stock exchange other than the Stock Exchange and no such listing or permission to deal is being or is proposed to be sought.

#### **Effects on share certificates**

The proposed Capital Reduction and Sub-division will not affect any of the rights of the existing Shareholders. All existing share certificates of the Company will continue to be evidence of title to the Shares and continue to be valid for trading, settlement, registration and delivery purposes. Accordingly, there will not be any arrangement for free exchange of

the existing share certificates of the Company for new share certificates for the New Shares after the Capital Reduction and the Sub-division take effect. Immediately following the Capital Reduction and Sub-division becoming effective, new share certificates will be issued bearing the par value of HK\$0.01.

### **Expected timetable of the Capital Reduction and the Sub-division**

Set out below is the expected timetable for the implementation of the Capital Reduction and the Sub-division. The expected timetable is subject to the results of the SGM and satisfaction of the conditions to the Capital Reduction and the Sub-division and is therefore for indicative purpose only. Any change to the expected timetable will be announced in a separate announcement by the Company as and when appropriate. All times and dates in this announcement refer to the Hong Kong local times and dates.

<b>Event</b>	<b>2022</b>
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Despatch date of circular with notice of the SGM .....	Friday, 6 May
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Latest time for lodging share transfer in order to qualify for attending and voting at the SGM.....	4:30 p.m. on Tuesday, 24 May
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Closure of register of members for determining the entitlement to attend and vote at the SGM (both dates inclusive).....	Wednesday, 25 May to Monday, 30 May
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Latest time for lodging forms of proxy for the SGM.....	4:30 p.m. on Saturday, 28 May
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Date and time of the SGM .....	4:30 p.m. on Monday, 30 May
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Announcement of voting results of the SGM.....	Monday, 30 May
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**The following events are conditional on the results of the SGM and therefore the dates are tentative:**

Expected effective date of the Capital Reduction and the Sub-division .....	9:00 a.m. on Wednesday, 1 June
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Commencement of dealing in the New Shares .....	9:00 a.m. on Wednesday, 1 June
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## **(2) PROPOSED ADOPTION OF NEW BYE-LAWS**

The Board proposes to amend the Bye-laws by way of adoption of the New Bye-laws. Pursuant to the Consultation Conclusions on Listing Regime for Overseas Issuers published by the Stock Exchange in November 2021, the Listing Rules have been amended with effect from 1 January 2022 which requires, among others, listed issuers to adopt a uniform set of 14 “Core Standards” for shareholder protections for issuers. Furthermore, the Company

proposes to modernize and provide flexibility to the Company in relation to the conduct of general meetings. As such, the Board proposes to amend the Bye-laws to, among others, (i) allow a general meeting to be held as an electronic meeting (also referred to as a virtual general meeting) or a hybrid meeting; (ii) bring the Bye-laws in line with amendments made to Listing Rules and applicable laws and procedures of Bermuda; and (iii) make certain minor housekeeping amendments to the Bye-laws for the purpose of clarifying existing practice and making consequential amendments in line with the amendments to the Bye-laws (collectively, the “**Amendments**”). Details of the proposed Amendments will be set out in the circular to be despatched to the Shareholders in due course.

At the SGM, a special resolution will be proposed for the Shareholders to consider and, if thought fit, approve the proposed adoption of the New Bye-laws incorporating the Amendments.

## **GENERAL**

A SGM will be convened and held for the Shareholders to consider and, if thought fit, approve, among other matters, the Capital Reduction, the Sub-division and the proposed adoption of the New Bye-laws incorporating the Amendments. A circular containing, among other things, further details of the Capital Reduction, the Sub-division and the proposed adoption of the New Bye-laws incorporating the Amendments, together with a notice convening the SGM and the related proxy form, will be despatched by the Company to the Shareholders on or before 6 May 2022.

As no Shareholders have a material interest in the Capital Reduction and the Sub-division, no Shareholders will be required to abstain from voting on the resolutions to approve the Capital Reduction and the Sub-division.

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Amendments”	as defined in the paragraph headed “(2) Proposed adoption of New Bye-laws” in this announcement
“Board”	the board of Directors
“Bye-laws”	the bye-laws of the Company, as amended from time to time
“Business Day(s)”	a day (other than a Saturday, Sunday or public holiday) on which banks are generally open for business in Hong Kong

“Capital Reduction”	the reduction of the issued share capital of the Company by reducing the par value of each issued Share from HK\$0.10 to HK\$0.01 by cancelling the paid up share capital to the extent of HK\$0.09 per issued Share
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“CCASS Operational Procedures”	the Operational Procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to operations and functions of CCASS, as from time to time
“Companies Act”	the Companies Act 1981 of Bermuda, as amended, supplemented or otherwise modified from time to time
“Company”	Champion Technology Holdings Limited, a company continued in Bermuda with limited liability and whose Shares are listed on the Main Board of the Stock Exchange
“Contributed Surplus Account”	the contributed surplus account of the Company
“Directors”	the director(s) of the Company
“Effective Date”	the date on which the Capital Reduction become effective, being (subject to compliance with Section 46(2) of the Companies Act) the second Business Day following the day of passing of the special resolution to approve the Capital Reduction and the Sub-division at the SGM, or such other date as the Directors may determine
“General Rules of CCASS”	the terms and conditions regulating the use of CCASS, as may be amended or modified from time to time and where the context so permits, shall include the CCASS Operational Procedures
“HKSCC”	the Hong Kong Securities Clearing Company Limited
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Committee”	has the same meaning ascribed thereto under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“New Bye-laws”	the new bye-laws of the Company incorporating the proposed Amendments proposed to be adopted by the Shareholders at the SGM
“New Share(s)”	ordinary share(s) with par value of HK\$0.01 each in the share capital of the Company immediately following the Capital Reduction and the Sub-division becoming effective
“SGM”	the special general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving, among other things, the Capital Reduction, the Sub-division and the adoption of the New Bye-laws incorporating the Amendments
“Share(s)”	ordinary share(s) with par value of HK\$0.10 each in the share capital of the Company prior to the Capital Reduction and the Sub-division becoming effective
“Shareholder(s)”	the holder(s) of the Share(s) or the New Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Sub-division”	the sub-division of each authorised but unissued Share into ten (10) unissued New Shares
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong

By order of the Board  
**CHAMPION TECHNOLOGY HOLDINGS LIMITED**  
**Wong Man Winny**  
*Chairperson*

Hong Kong, 29 April 2022

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