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FUTIAN HOLDINGS LIMITED

福田股份有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8196)

DISCLOSEABLE TRANSACTION CAPITAL INJECTION INTO GUANGZHOU ENVIRONMENTAL TECHNOLOGY

CAPITAL INJECTION RESOLUTION

On 4 December 2024, the shareholders of Guangzhou Environmental Technology passed the Capital Injection Resolution to increase the registered capital of Guangzhou Environmental Technology from RMB68,000,000 to RMB74,760,000 and resolved that the shareholders of Guangzhou Environmental Technology shall each contribute to the Capital Injection on a pro rata basis to their existing shareholding in Guangzhou Environmental Technology.

Upon completion of the Capital Injection, the Company's total capital contribution through Guangzhou Great Water, its wholly-owned subsidiary, to Guangzhou Environmental Technology shall be increased from RMB3,400,000 to RMB3,738,000 and the Company's equity interest in Guangzhou Environmental Technology will remain unchanged at 5%.

IMPLICATIONS UNDER GEM LISTING RULES

As the highest of the applicable percentage ratios under Rule 19.07 of the GEM Listing Rules in respect of the amount payable by Guangzhou Great Water under the Capital Injection exceeds 5% but is below 25%, the participation in the Capital Injection by Guangzhou Great Water constitutes a discloseable transaction for the Company and is therefore subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

INTRODUCTION

Reference is made to the announcement of the Company dated 11 May 2020 in relation to the increase in capital contribution of Guangzhou Environmental Technology by its shareholders. As at the date of this announcement, Guangzhou Great Water, an indirect wholly-owned subsidiary of the Company, owns 5% equity interest in Guangzhou Environmental Technology.

CAPITAL INJECTION RESOLUTION

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Pursuant to the Capital Injection Resolution, Guangzhou Great Water shall inject additional capital in the amount of RMB338,000 in cash into Guangzhou Environmental Technology, which is expected to be paid in full by 31 December 2024.

The amount of the Capital Injection was determined after arm's length negotiations among the shareholders of Guangzhou Environmental Technology with reference to, among other things, the future development plan of Guangzhou Environmental Technology and its funding needs.

The Capital Injection on the part of Guangzhou Great Water will be funded by the Group's internal resources.

Completion

Upon completion of the Capital Injection, the Company's total capital contribution through Guangzhou Great Water, its wholly-owned subsidiary, to Guangzhou Environmental Technology shall be increased from RMB3,400,000 to RMB3,738,000 and the Company's equity interest in Guangzhou Environmental Technology will remain unchanged at 5% and Guangzhou Environmental Technology will continue to be accounted as equity investments designated at fair value through other comprehensive income in the Group's financial statements.

Shareholding structure of Guangzhou Environmental Technology

Immediately upon completion of the Capital Injection, the registered capital of Guangzhou Environmental Technology will increase from RMB68,000,000 to RMB74,760,000.

The shareholding structure of Guangzhou Environmental Technology as at the date of this announcement and immediately following the completion of the Capital Injection:

Name of shareholder	As at the date of this announcement		Immediately following completion of the Capital Injection	
	<i>The contribution to the registered capital of Guangzhou Environmental Technology (RMB)</i>	<i>Approximate percentage of shareholding (%)</i>	<i>The contribution to the registered capital of Guangzhou Environmental Technology (RMB)</i>	<i>Approximate percentage of shareholding (%)</i>
Guangzhou Great Water	3,400,000	5	3,738,000	5
Guangzhou Environment Investment	30,600,000	45	33,642,000	45
Guangzhou Development Zone	34,000,000	50	37,380,000	50
Total	<u>68,000,000</u>	<u>100</u>	<u>74,760,000</u>	<u>100</u>

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, all the shareholders of Guangzhou Environmental Technology (other than Guangzhou Great Water) and their respective ultimate beneficial owners are third parties independent of the Company and connected persons of the Company.

Upon completion of the Capital Injection, the proportion of shareholding held by each shareholder of Guangzhou Environmental Technology will remain unchanged. The Company's equity interest in Guangzhou Environmental Technology will remain unchanged at 5% and Guangzhou Environmental Technology will continue to be accounted as equity investments designated at fair value through other comprehensive income in the Group's financial statements.

REASONS FOR AND BENEFITS FROM THE CAPITAL INJECTION

Guangzhou Environmental Technology primarily operates a hazardous waste treatment plant in the Huangpu District of Guangzhou, the PRC. Given that Guangzhou Environmental Technology is at the early stage of its operation, it is still incurring losses. As such, the proceeds from the Capital Injection will be applied to supplement the general working capital of Guangzhou Environmental Technology. As Guangzhou Environmental Technology has begun to generate revenue since 2023, the shareholders of Guangzhou Environmental Technology contemplated that it is pivotal to conduct the Capital Injection at the early stage of business of Guangzhou Environmental Technology in order to drive its revenue growth and accelerate its business development. Given its commitment

to the local areas of Guangzhou and the support from Guangzhou Development Zone and Guangzhou Environment Investment, the Company considered that Guangzhou Great Water's participation in the Capital Injection will be conducive to promoting its cooperation with the aforesaid shareholders of Guangzhou Environmental Technology and further enhancing the Group's brand image through its continued participation in a large-scale environmental project in the densely populated region of Guangzhou.

The amount payable by Guangzhou Great Water under the Capital Injection will be funded by the internal resources of the Group. Taking into account the above, the Directors consider that the terms of the Capital Injection are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION OF GUANGZHOU ENVIRONMENTAL TECHNOLOGY

Guangzhou Environmental Technology is a limited liability company established on 25 December 2018. It is principally engaged in the waste treatment business.

Set out below is a summary of the financial information of Guangzhou Environmental Technology for the two years ended 31 December 2023 and the nine months ended 30 September 2024 which is extracted from the audited financial statements of Guangzhou Environmental Technology for the two years ended 31 December 2023 and the unaudited management accounts of Guangzhou Environmental Technology for the nine months ended 30 September 2024, respectively:

	For the nine months ended 30 September 2024 RMB'000	For the year ended 31 December 2023 2022 RMB'000 RMB'000	
Revenue	21,690	30,564	–
Loss before tax	(29,109)	(8,418)	(150)
Loss after tax	(29,109)	(8,369)	(150)

As at 30 September 2024, the unaudited net assets of Guangzhou Environmental Technology was approximately RMB28,773,000.

INFORMATION ON THE PARTIES INVOLVED

Information on the Group and Guangzhou Great Water

The Company is an investment holding company and the Group is principally engaged in the provision of engineering services for wastewater and drinking water treatment facilities. Guangzhou Great Water is a wholly-owned subsidiary of the Company. It is principally engaged in design and construction and sale of equipment for environmental protection projects.

Information on Guangzhou Environment Investment and Guangzhou Development Zone

Guangzhou Environment Investment is a company established in the PRC with limited liability which is principally engaged in investment holding.

It is ultimately controlled by Guangzhou Environmental Protection Investment Group Limited* (廣州環保投資集團有限公司) (“**Guangzhou Environmental Investment Group**”).

Guangzhou Development Zone is a company established in the PRC with limited liability which is principally engaged in investment holding. It is ultimately controlled by Guangzhou Development Zone Investment Group Limited* (科學城(廣州)投資集團有限公司) (“**Guangzhou Development Zone Group**”).

Each of Guangzhou Environmental Investment Group and Guangzhou Development Zone Group is a state-owned conglomerate engaged in various business activities including but not limited to environmental protection investment, construction, infrastructure projects, wholesale and export of goods, consultation services, property management and information technology. Guangzhou Environmental Investment Group is ultimately owned as to approximately 91.55% by the General Affairs Office of Guangzhou Municipal People's Government (廣州市人民政府辦公廳) and as to approximately 8.45% by the Department of Finance of Guangzhou Municipality (廣東省財政廳), and Guangzhou Development Zone Group is ultimately owned as to approximately 94.28% by the Guangzhou Economic and Technological Development Zone Management Committee (廣州經濟技術開發區管理委員會) and as to approximately 5.72% by the Department of Finance of Guangzhou Municipality (廣東省財政廳).

IMPLICATIONS UNDER GEM LISTING RULES

As the highest of the applicable percentage ratios under Rule 19.07 of the GEM Listing Rules in respect of the amount payable by Guangzhou Great Water under the Capital Injection exceeds 5% but is below 25%, the participation in the Capital Injection by Guangzhou Great Water constitutes a discloseable transaction for the Company and is therefore subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

DEFINITIONS

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

“Board”	the board of Directors
“Capital Injection”	the proposed injection of the total amount of RMB6,760,000 to the registered capital of Guangzhou Environmental Technology pursuant to the Capital Injection Resolution
“Capital Injection Resolution”	the resolution passed by the shareholders of Guangzhou Environmental Technology on 4 December 2024 in relation to the Capital Injection
“Company”	Futian Holdings Limited 福田股份有限公司, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Stock Exchange (stock code: 8196)
“connected person(s)”	has the same meaning ascribed to it under the GEM Listing Rules
“Director(s)”	the directors of the Company
“GEM”	GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM, as amended, modified and supplemented from time to time
“Group”	the Company and its subsidiaries
“Guangzhou Development Zone”	Guangzhou Development Zone Environment Investment Company Limited* (科學城(廣州)環保產業投資集團有限公司), a company established in the PRC with limited liability
“Guangzhou Environment Investment”	Guangzhou Environment Investment Holding Company Limited* (廣州環投控股有限公司), a company established in the PRC with limited liability
“Guangzhou Environmental Technology”	Guangzhou Environmental Technology Company Limited* (廣州環科環保科技有限公司), a company established in the PRC with limited liability

“Guangzhou Great Water”	Guangzhou Great Water Environmental Protection Company Limited* (廣州中科建禹環保有限公司), a company established in the PRC with limited liability, an indirect wholly-owned subsidiary of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	registered holder(s) of the share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

By order of the Board
Futian Holdings Limited
XIE Yang
Chairman

Guangzhou, PRC, 4 December 2024

As at the date of this announcement, the executive Directors are Mr. XIE Yang, Mr. HE Xuan Xi, Ms. LIU Chujun, Ms. SUN Zhaoyang and Ms. FENG Li; and the independent non-executive Directors are Ms. BAI Shuang, Mr. HA Cheng Yong and Mr. TSE Chi Wai.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the “Latest Listed Company Information” page of the Stock Exchange’s website at www.hkexnews.hk for at least 7 days from the date of its posting and be posted on the website of the Company at www.greatwater.com.cn.

* For identification purposes only