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IDG Energy Investment

IDG ENERGY INVESTMENT LIMITED

IDG能源投資有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 650)

FINAL RESULTS FOR THE YEAR ENDED 31 MARCH 2022

The board (the "**Board**") of directors (the "**Directors**") of IDG Energy Investment Limited (the "**Company**") is pleased to announce the consolidated results of the Company and its subsidiaries for the financial year ended 31 March 2022 ("**FY2021**") together with the comparative figures for the previous year.

CORPORATE PROFILE

The Company is engaged in advanced manufacturing of productivity-driven equipment applied in semiconductor and solar power businesses. It also operates an oil and gas production project in China. The financial statements of the Company are reported by consolidating the financial results of its controlled portfolio companies, whereas the Company's interests in other non-controlling portfolio companies are mostly classified as financial assets at fair value through profit or loss in the Company's financial statements.

As at 31 March 2022, the Company has invested in several portfolio companies in China and abroad, which mainly include Productive Technologies (Shanghai) Limited* (上海普達特半導體設備有限公司) ("**PDT Shanghai**"), Productive Technologies (Xuzhou) Limited* (普達特半導體設備(徐州)有限公司) ("**PDT Xuzhou**"), and Xilin Gol League Hongbo Mining Development Company Limited* (錫林郭勒盟宏博礦業開發有限公司) ("**Hongbo Mining**"). The principal business of the major portfolio companies are set out as below:

- PDT Shanghai and PDT Xuzhou, established on 14 January 2022 and 22 February 2022 respectively, are wholly-owned subsidiaries of the Company. They are engaged in the manufacturing and sales of equipment for (i) semiconductor, including but not limited to backside thinning equipment, bulk cleaning equipment, solvent equipment, SPM cleaning equipment with specifications of 6 inches, 8 inches and 12 inches and PECVD equipment, and (ii) solar power, including but not limited to cleaning equipment and copper plating equipment. On 18 April 2022, PDT Shanghai received a purchase order of two units of single wafer wet processing equipment (單片濕式處理設備) (the "**Cube Product**") which focuses on SiC backside clean application (the "**PO**") from a customer (the "**Customer**"), which is based in Guangdong Province.

- Hongbo Mining is a wholly-owned portfolio company acquired by the Company in 2016. It is an operating company engaged in exploration, development, production and sale of crude oil in China with its gross sales volume of approximately 285,759 barrels, and gross revenue from sales of approximately HK$172.9 million for the year ended 31 March 2022. The Company holds 100% equity interest in Hongbo Mining and therefore its financial statements are fully consolidated to the Company's financial statements.

- Stonehold Energy Corporation ("**Stonehold**"), a portfolio company in the upstream oil sector invested by the Company in 2017, owns a world-class shale oil block in Eagle Ford, Texas of the United States (the "**U.S.**"). The total net production and the revenue of Stonehold for FY2021 had reached approximately 572,315 boe and US$29.2 million, respectively. The Company invested in Stonehold through the provision of a term loan, with a fixed annual interest rate of 8% (the "**Term Loan**"). In addition, the Company is also entitled to an amount equivalent to 92.5% of the net disposal proceeds upon disposal of the underlying assets. The investment in Stonehold (the "**Stonehold Investment**") is classified as a financial asset at fair value through profit or loss in the Company's financial statements. On 9 June 2022, the Company consented to the realization of the entire assets underlying the Stonehold Investment. The Company expects to receive an aggregated amount of HK$501.8 million from the realization.

- Jiangxi Jovo Energy Company Limited* (江西九豐能源股份有限公司) ("**JOVO**"), an LNG sector portfolio company invested by the Company in 2017, is a comprehensive clean energy service provider focusing on the mid-stream and terminal aspect of the gas industry. JOVO has subsequently completed the initial public offering application and review process (the "**IPO**"), and trading of its shares on the Shanghai Stock Exchange commenced on 25 May 2021 (stock code: 605090). JOVO offers a wide range of clean energy and related products, such as liquefied natural gas (LNG), liquefied petroleum gas (LPG) and methanol, and comprehensive solutions of international energy provision and integrated application. The Company holds a minority interest in JOVO and classified this investment as a financial asset at fair value through profit or loss in the Company's financial statements.

- JUSDA Energy Technology (Shanghai) Co. Ltd.* (準時達能源科技(上海)有限公司) ("**JUSDA Energy**"), an investment in LNG value chain made by the Company in 2018, is engaged in LNG logistics services using LNG ISO container model. JUSDA Energy started its business in 2019, and has been providing stable logistics services to its customers helping them to distribute LNG from domestic LNG receiving terminals or source LNG to the overseas markets by using ISO containers. The Company holds 39% equity interest upon completion of all equity contribution in JUSDA Energy and classified this investment as interest in an associate in the Company's financial statements.

- Weipin ("**Weipin**"), a mobility sector portfolio company acquired by the Company in 2019, is principally engaged in the online ride-hailing services business in China. The Company effectively holds 35.5% equity interest in Weipin. With effect from 21 June 2021, the Company no longer controls the majority voting right of the board of directors of Weipin, and the financial statements of Weipin have then ceased to be consolidated into the financial statements of the Company. Thereafter, the Company has classified the investment in Weipin as interest in an associate.

Note: Terms used in this section have the same meanings as those defined in the subsequent sections of this final results announcement.

FINANCIAL SUMMARY

	Year Ended 31 March	
	2022	2021
	HK$'000	*HK$'000*
		(Restated)
Revenue from sales *(Note 1)*	**138,326**	90,008
Investment loss *(Note 2)*	**(328,640)**	(297,577)
Total loss from principal business activities, net of cost *(Note 3)*	**(287,470)**	(287,090)
EBITDA from continuing operations	**(410,889)**	(300,112)
Loss before taxation from continuing operations	**(475,100)**	(359,156)
Loss for the year from continuing operations *(Note 4)*	**(482,978)**	(359,361)
Profit/(loss) for the year from discontinued operation *(Note 5)*	**56,924**	(77,105)
Loss for the year	**(426,054)**	(436,376)
— Attributable to equity shareholders of the Company	**(403,761)**	(386,701)
— Attributable to non-controlling interests	**(22,293)**	(49,675)
Basic and diluted earnings/(loss) per share (HK$ per share)		
— Continuing and discontinued operations	**(5.830 cent)**	(5.849 cent)
— Continuing operations	**(6.974 cent)**	(5.435 cent)
— Discontinued operation	**1.144 cent**	(0.414 cent)

	As at 31 March	
	2022	2021
	HK$'000	*HK$'000*
Non-current assets	**1,891,981**	2,417,054
Current assets	**981,125**	1,188,470
Total assets	**2,873,106**	3,605,524
Current liabilities	**178,712**	355,843
Non-current liabilities	**100,940**	205,402
Total liabilities	**279,652**	561,245
Net assets	**2,593,454**	3,044,279
Total equity attributable to equity shareholders of the Company	**2,593,454**	2,904,233

Note 1: The revenue from sales represents the revenue generated from the net sales of crude oil produced by Hongbo Mining, a wholly-owned subsidiary of the Company. The increase in revenue was mainly due to the increase of the crude oil price.

Note 2: According to accounting policy, the investment loss stated here mainly includes (i) interest income (interest at the rate of 8% per annum) and other fair value changes from the Term Loan granted to Stonehold; and (ii) the net of investment income and losses in the form of fair value gain or loss from other projects. The investment loss was mainly attributable to the fair value change from the Stonehold Investment which resulted from the increased uncertainty in the shale oil investment and development held through the Stonehold Investment resulting from the burgeoning global promotion of carbon neutralization where the international community is acting decisively to combat climate change and limit global warming. Such acts have, directly and indirectly, promoted and induced the use of natural gas and other alternative renewable energy and consequently reduced the long-term demand for fossil fuels like crude oil and led to the expected low oil price in the long run.

Note 3: The total loss from principal business activities, net of cost represents the above-mentioned revenue from sales of crude oil and investment loss, net of the cost of sales of crude oil. The loss was mainly due to the reasons stated above in Note 2.

Note 4: The loss for FY2021 from continuing operations is primarily attributed to the following factors:

(i) The loss from the fair value change of the Stonehold Investment and the Symbio Infrastructure investment (formerly known as GNL Quebec investment); and

(ii) The loss shared from Weipin as an associate from 22 June 2021 to 31 March 2022.

Please refer to the Section 2.2.2 of the section headed "Business Review" of this final results announcement for further details of Symbio Infrastructure investment (formerly known as GNL Quebec investment).

Note 5: The Company ceased to consolidate the financial results of Weipin into the financial statements of the Company after the Company lost control on the board and any decision-making process of Weipin on 21 June 2021 (the "**Deconsolidation Date**"). The profit from discontinued operation during FY2021 includes the net loss recorded for the period between 1 April 2021 and the Deconsolidation Date for an amount of approximately HK$34.3 million and the gain recorded on deemed disposal of Weipin on the Deconsolidation Date for an amount of approximately HK$91.2 million. The comparative figures represent a loss of an amount of approximately HK$77.0 million for the period between 1 April 2020 and 31 March 2021. Please refer to Note 7 to the financial information of this final results announcement for further information.

OPERATING SUMMARY

		Year ended 31 March	
		2022	2021
Continuing Operations	**Upstream oil and gas business from Hongbo Mining**		
— Oil and Gas (formerly known as Global Energy Investment)	Gross production volume (barrels) *(Note 1)*	**285,459**	314,466
	Gross sales volume (barrels) *(Note 1)*	**285,759**	319,522
	Net sales volume (barrels)	**228,607**	255,618
	Average unit selling price (HK$ per barrel) *(Note 1)*	**605**	352
	Average daily gross production volume (barrels)	**793**	874
	Average unit production cost before depreciation and amortisation (HK$ per barrel) *(Note 1)*	**148**	102
	Average unit production cost (HK$ per barrel) *(Note 1)*	**340**	253
	Wells drilled during the year		
	— Dry holes (unit)	**–**	3
	— Oil producers (unit) *(Note 2)*	**–**	–
	Fracturing workover during the year (unit)	**2**	–
		HK$'000	*HK$'000*
	Key investment (loss)/income		
	Stonehold Investment *(Notes 3 and 8)*	**(362,418)**	(300,421)
	JOVO Investment *(Notes 4 and 8)*	**144,631**	30,629
	Symbio Infrastructure investment (formerly GNL Quebec investment) *(Notes 5 and 8)*	**(68,342)**	(6,719)

		For the period from 1 April 2021 to 21 June 2021	Year ended 31 March 2021
Discontinued Operation	**Mobility services businesses from Weipin**		
— Mobility Services Businesses	Total orders (Orders) *(Notes 6, 7 and 8)*	**31,349,364**	65,373,216
	Average daily order(s) *(Notes 6, 7 and 8)*	**344,499**	179,597
	Average revenue per order *(HK$)* *(Notes 7 and 8)*	**24**	26

Note 1: Hongbo Mining is a subsidiary of the Company engaged in exploration, development, production and sale of crude oil in China. Hongbo Mining's gross production volume was used in the calculation of average unit production cost and average unit production cost before depreciation and amortisation which includes 20% of crude oil production volume as the entitlement for Shaanxi Yanchang Petroleum (Group) Company Limited (Yanchang Oil Mineral Administrative Bureau* (陝西延長石油(集團)有限責任公司(延長油礦管理局)) ("**Yanchang**"). The average unit selling price was calculated using the net sales amount and net sales volume which exclude Yanchang's 20% entitlement. Gross sales volume equals to the net sales volume plus Yanchang's 20% entitlement.

Note 2: Since 2020, Hongbo Mining halted all drilling activities in response to the adverse effect of the COVID-19 pandemic and the imbalance of the oil supply and demand. In light of the current high oil price environment, Hongbo Mining has started drilling wells since April 2022 and has successfully completed 4 new wells as of the date of this final results announcement.

Note 3: The loss from the Stonehold Investment was mainly attributable to the fair value change from the Stonehold Investment. The said loss was incurred as a result of the increased uncertainty in the development of shale oil resulting from the burgeoning global promotion of carbon neutralization where the international community is acting decisively to combat climate change and limit global warming. Such acts have, directly and indirectly, promoted and induced the use of natural gas and other alternative renewable energy and consequently reduced the long term demand for fossil fuels like crude oil and led to the expected low oil price in the long run.

Note 4: The investment gain from fair value change of JOVO investment was mainly due to the completion of its IPO and the commencement of trading of its shares on the Shanghai Stock Exchange on 25 May 2021.

Note 5: The loss from Symbio Infrastructure investment (formerly known as GNL Quebec investment) was mainly resulted from the Quebec provincial government's unexpected decision of not approving environmental permits for Symbio Infrastructure's Terminal.

Note 6: Weipin, which is engaged in the online car-hailing mobility business, ceased to be a subsidiary of the Company and became an associate with effect from 21 June 2021. The financial statements of Weipin are no longer consolidated into the financial statements of the Company.

Note 7: Average revenue per order is calculated with reference to the total revenue generated from the mobility services businesses and the total number of orders during the periods indicated.

Note 8: Please refer to Note 3 to the financial information and the section headed "Business Review" in this final results announcement for further information.

For the purpose of this final results announcement, unless otherwise indicated, exchange rates used are for the purpose of illustration only and do not constitute a representation that any amount has been, could have been or may be exchanged at such rate or any other rate or at all on the date or dates in question or any other date. In respect of information of exchange rates that have been previously disclosed in the Company's announcements, the same exchange rates as disclosed in the respective announcements have been used herein.

FINANCIAL RESULTS

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 March 2022
(Expressed in Hong Kong dollars)

		Year ended 31 March	
	Note	**2022**	2021
		HK$'000	*HK$'000*
			(Restated)
Continuing operations			
Revenue from sales		**138,326**	90,008
Cost of sales		**(97,156)**	(79,521)
		41,170	10,487
Investment loss		**(328,640)**	(297,577)
Total loss from principal business activities, net of cost	*3*	**(287,470)**	(287,090)
Other net gains		**246**	1,970
Administrative expenses		**(120,346)**	(56,998)
Taxes other than income tax	*4*	**(17,837)**	(6,842)
Research and development expenses		**(3,878)**	–
Selling and marketing expenses		**(2,257)**	–
Exploration expenses, including dry holes		**(822)**	(15,613)
Impairment loss on trade and other receivables	*10*	**(46,445)**	–
Loss before net finance income and taxation from continuing operations		**(478,809)**	(364,573)
Finance income		**11,308**	14,382
Finance cost		**(7,599)**	(8,965)
Net finance income	*5*	**3,709**	5,417

CONSOLIDATED STATEMENT OF PROFIT OR LOSS (CONTINUED)
For the year ended 31 March 2022
(Expressed in Hong Kong dollars)

	Note	**Year ended 31 March** **2022** ***HK$'000***	2021 *HK$'000* (Restated)
Loss before taxation from continuing operations		**(475,100)**	(359,156)
Income tax	*6*	**(7,878)**	(205)
Loss for the year from continuing operations		**(482,978)**	(359,361)
Discontinued operation			
Profit/(loss) for the year from discontinued operation	*7*	**56,924**	(77,015)
Loss for the year		**(426,054)**	(436,376)
Attributable to:			
Equity shareholders of the company		**(403,761)**	(386,701)
Non-controlling interests		**(22,293)**	(49,675)
Loss for the year		**(426,054)**	(436,376)
Earnings/(loss) per share	*8*		
Basic and diluted			
— Continuing and discontinued operations		**HK$(5.830 cent)**	HK$(5.849 cent)
— Continuing operations		**HK$(6.974 cent)**	HK$(5.435 cent)
— Discontinued operation		**HK$1.144 cent**	HK$(0.414 cent)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31 March 2022
(Expressed in Hong Kong dollars)

	Year ended 31 March	
	2022	2021
	HK$'000	*HK$'000*
		(Restated)
Loss for the year	**(426,054)**	(436,376)
Other comprehensive income for the year (after tax and reclassification adjustments)		
Items that will not be reclassified to profit or loss:		
Equity investment at FVOCI — net movement in fair value reserve (non-recycling)	**–**	(6,372)
Items that may be reclassified subsequently to profit or loss:		
Exchange reserve released upon disposal of business	**(6,111)**	–
Exchange differences on translation of financial statements of overseas subsidiaries	**27,048**	62,918
Other comprehensive income for the year	**20,937**	56,546
Total comprehensive loss for the year	**(405,117)**	(379,830)
Attributable to:		
Equity shareholders of the company	**(385,034)**	(342,799)
Non-controlling interests	**(20,083)**	(37,031)
Total comprehensive loss for the year	**(405,117)**	(379,830)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(Expressed in Hong Kong dollars)

	Note	**At 31 March 2022** *HK$'000*	At 31 March 2021 *HK$'000*
Non-current assets			
Property, plant and equipment		**545,749**	570,161
Construction in progress		**3,855**	3,106
Intangible assets		**25,774**	333,806
Goodwill		**–**	112,837
Right-of-use assets		**19,028**	18,661
Interest in associates		**290,326**	46,597
Financial assets at fair value through profit or loss	*9*	**72,809**	1,288,153
Other non-current assets		**23,584**	33,632
Deferred tax assets		**–**	10,101
		981,125	2,417,054
Current assets			
Inventories		**9,187**	4,718
Trade receivables	*10*	**10,845**	54,648
Bills receivables	*10*	**8,878**	24,965
Other receivables	*10*	**42,365**	19,003
Prepayment		**41,437**	26,974
Financial assets at fair value through profit or loss	*9*	**849,950**	35,495
Time deposits with maturities over three months but within one year		**383,552**	38,875
Cash and cash equivalents		**545,767**	983,792
		1,891,981	1,188,470
Current liabilities			
Trade and other payables	*11*	**165,159**	326,622
Contract liabilities		**–**	368
Bank and other borrowings		**7,398**	23,664
Lease liabilities		**4,834**	5,189
Derivative financial instruments		**1,321**	–
		178,712	355,843

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

(Expressed in Hong Kong dollars)

	Note	At 31 March 2022 HK$'000	At 31 March 2021 HK$'000
Net current assets		**1,713,269**	832,627
Total assets less current liabilities		**2,694,394**	3,249,681
Non-current liabilities			
Convertible bond	*13*	**–**	36,145
Lease liabilities		**4,946**	4,164
Deferred tax liabilities		**28,881**	107,913
Provisions		**67,113**	57,180
		100,940	205,402
NET ASSETS		**2,593,454**	3,044,279
CAPITAL AND RESERVES			
Share capital	*14(b)*	**75,644**	68,917
Treasury shares		**(525)**	–
Reserves		**2,518,335**	2,835,316
Total equity attributable to equity shareholders of the company		**2,593,454**	2,904,233
Non-controlling interests		**–**	140,046
TOTAL EQUITY		**2,593,454**	3,044,279

NOTES TO THE FINANCIAL INFORMATION

(Expressed in Hong Kong dollars unless otherwise indicated)

1 CORPORATE INFORMATION

IDG Energy Investment Limited (the "**Company**") is an investment holding company, which was incorporated in Bermuda as an exempted company with limited liability and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). The Company's registered office is located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and its head office and principal place of business is located at Unit 5507, 55/F., The Center, 99 Queen's Road Central, Hong Kong.

On 29 July 2016, the Company completed a reverse takeover transaction which involved, among others, the acquisition by the Company of the entire equity interest of Xilin Gol League Hongbo Mining Development Company Limited 錫林郭勒盟宏博礦業開發有限公司 ("**Hongbo Mining**"), a limited liability company established in the People's Republic of China ("**PRC**").

During the year ended 31 March 2022, the Company is engaged in advanced manufacturing of productivity-driven equipment applied in semiconductor and solar power businesses. It also operates an oil and gas production project in PRC.

2 SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These financial information have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (HKFRSs), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (HKASs) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (HKICPA), accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance. These financial information also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Significant accounting policies adopted by the Group are disclosed below.

The HKICPA has issued certain amendments to HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 2(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting period reflected in these financial information.

(b) Basis of preparation

The consolidated financial information for the year ended 31 March 2022 comprises the Company and its subsidiaries and the Group's interest in associates.

The measurement basis used in the preparation of the financial information is the historical cost basis except that the following assets and liabilities are stated at their fair value as explained in the accounting policies set out below:

— Financial assets at fair value through profit or loss;

— Derivative financial instruments;

The preparation of financial information in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In determining the appropriate basis of preparation of the financial statements, the directors of the Company have reviewed Group's cash flow projections prepared by management based on estimations of future cashflow, taking into account the plan for transformation to advanced manufacturing of equipment, and the availability of financing, which cover a period of twelve months from the reporting period end date. They are of the opinion that the Group will have sufficient working capital to meet its financial obligations as and when they fall due and committed future expenditures within the next twelve months from the end of the current reporting period and that there are no material uncertainties in this respect which individually or collectively, may cast significant doubt on the Group's ability to continue as a going concern.

(c) Changes in accounting policies

The HKICPA has issued the following amendments to HKFRSs that are first effective for the current accounting period of the Group:

- Amendment to HKFRS 16, *Covid-19-related rent concessions beyond 30 June 2021*

- Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16, *Interest rate benchmark reform — phase 2*

None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3 TOTAL LOSS FROM PRINCIPAL BUSINESS ACTIVITIES, NET OF COST AND SEGMENT REPORTING

(a) Total loss from principal business activities, net of cost

As disclosed in note 7, the total loss from principal business activities, net of cost generated by the mobility services businesses segment is presented as discontinued operation. The amount of each significant category of revenue from continuing operations and discontinued operation recognised is as follows:

	Continuing operations Year ended 31 March		Discontinued operation Year ended 31 March		Total Year ended 31 March	
	2022	2021	**2022**	2021	**2022**	2021
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
		(Restated)		(Restated)		(Restated)
Revenue from contracts with customers and recognised at point in time within the scope of HKFRS 15						
— sales of crude oil *(note (i))*	**138,326**	90,008	**–**	–	**138,326**	90,008
— rendering of mobility services *(note (ii))*	**–**	–	**751,157**	1,670,507	**751,157**	1,670,507
Cost of sales and services						
— sales of crude oil	**(97,156)**	(79,521)	**–**	–	**(97,156)**	(79,521)
— rendering of mobility services	**–**	–	**(760,166)**	(1,686,387)	**(760,166)**	(1,686,387)
	41,170	10,487	**(9,009)**	(15,880)	**32,161**	(5,393)
Investment loss *(note (iii))*	**(328,640)**	(297,577)	**–**	–	**(328,640)**	(297,577)
Total loss from principal business activities, net of cost	**(287,470)**	(287,090)	**(9,009)**	(15,880)	**(296,479)**	(302,970)

Notes:

(i) Revenue from sales of crude oil is generated by Hongbo Mining. Hongbo Mining, one of the Company's wholly-owned subsidiaries, entered into an exploration and production cooperation contract ("**EPCC**") with Shaanxi Yanchang Petroleum (Group) Company Limited (Yanchang Oil Mineral Administrative Bureau) (陝西延長石油(集團)有限責任公司(延長油礦管理局), "**Yanchang**") in July 2010. The EPCC gives Hongbo Mining the right to explore, develop, produce and sell the crude oil extracted from the two blocks (Block 212 and Block 378) located at Xilin Gol League, Inner Mongolia and shared between Hongbo Mining and Yanchang in the proportion of 80% and 20% respectively. Hongbo Mining commenced production in Block 212 in 2010. The EPCC was renewed in January 2021 to extend the expiry date of the EPCC to 30 June 2022. Yanchang had obtained from the Ministry of Land and Resources of the PRC a 15-year valid production permit covering Unit 2, Unit 19 and other areas in Block 212 in May 2017. Each of Block 212 and Block 378 has been subject to an exploration permit which are renewable for a term of two years after expiration. The current exploration permit for Block 212 expired on 3 April 2022 and the application for a renewal is in progress, whereas the exploration permit for Block 378 will expire on 20 February 2026.

The amount of revenue represents the sales value of crude oil supplied to the customers, net of value added tax. There is one major customer with whom transactions have exceeded 10% of the revenue from sales of crude oil.

(ii) Revenue from rendering of mobility services is generated by Weipin from rendering of online ride-hailing services to the passengers through Gaode, Didi and other platforms. Passengers send requests for mobility service through these platforms, and the system automatically matches the requests with the registered drivers. The amount of revenue recognised from rendering of mobility services represents the value of full fares paid by the passengers, net of value added tax and surcharge.

(iii) Investment loss

	Year ended 31 March	
	2022	2021
	HK$'000	*HK$'000*
Stonehold investment *(note (1))*	**(362,418)**	(300,421)
JOVO investment *(note (1))*	**144,631**	30,629
Symbio Infrastructure investment (formerly known as GNL Quebec investment) *(note (1))*	**(68,342)**	(6,719)
Trading securities listed in the U.S. and France *(note (1))*	**–**	1,491
LNGL investment *(note (1))*	**–**	(26,144)
ssLNG solution investment *(note (1))*	**(21,981)**	1,845
Fund investment *(note (1))*	**(2,063)**	8,161
Dividend income *(note (2))*	**4,758**	896
Share of losses of associates *(note (3))*	**(21,904)**	(7,334)
Net unrealised losses on derivative financial instruments *(note (4))*	**(1,321)**	–
Others	**–**	19
	(328,640)	(297,577)

Notes:

(1) These amounts represent fair value changes of the Stonehold investment, JOVO investment, Symbio Infrastructure investment (formerly known as GNL Quebec investment), trading securities listed in the U.S. and France, LNGL investment, ssLNG solution investment and investment income from the fund during the year ended 31 March 2022 and 2021. Such assets are measured at FVTPL (see note 9), any interest income arising from such assets is included in fair value changes.

(2) The amount represents the dividend income from equity investment designated as FVOCI, JOVO investment, trading securities listed in the U.S., and fund investment.

(3) The amount represents share of associates' profit or loss by using equity method.

(4) As at 31 March 2022, the Company held one crude oil price swap contract in place to manage certain exposure to the fluctuation of crude oil price. As the swap contract did not meet the hedge accounting criteria, relevant fair value changes have been charged to profit or loss for the year ended 31 March 2022.

(b) Segment reporting

The Company and its subsidiaries manage their businesses by divisions, which are organised by a mixture of both business lines (products and services). In a manner consistent with the way in which information is reported internally to the Company and its subsidiaries' most senior executive management for the purposes of resource allocation and performance assessment, the Company and its subsidiaries have presented two reportable segments. Details of the reportable segments as follows:

- Oil and gas (formerly known as Global energy investment): this segment invests and operates upstream oil and gas business, LNG business, and generates income from processing of oil and gas and LNG, as well as investing in and managing energy-related industries and businesses.

- Mobility services businesses: this segment manages and operates the drivers and vehicles for rendering of online ride-hailing services to the passengers through aggregation traffic platforms and generates income from rendering of mobility services.

The Group lost control over the mobility services businesses segment on 21 June 2021. The results of the mobility services business segment for the period from 1 April 2021 to 21 June 2021 was classified as discontinued operation accordingly. The discontinued operation has resulted in a change in the Company and its subsidiaries' structure and composition of reporting segments. The comparative figures of segment disclosure have been represented to conform to current year presentation.

(i) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Company and its subsidiaries' senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following basis:

Segment assets include all tangible, intangible assets and current assets with the exception of deferred tax assets. Segment liabilities include all liabilities with the exception of deferred tax liabilities.

Revenue and expenses are allocated to the reportable segments with reference to revenue from sales and services generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments. Segment profit/loss includes investment income/loss.

The measure used for reporting segment profit/loss is "adjusted EBITDA" i.e. "adjusted earnings before interest, taxes, depreciation and amortisation".

In addition to receiving segment information concerning adjusted EBITDA, management is provided with segment information concerning interest income and expense from cash balances and borrowings managed directly by the segments, depreciation and amortisation, and additions to non-current segment assets used by the segments in their operations.

Disaggregation of revenue from contracts with customers, as well as information regarding the Company and its subsidiaries' reportable segments as provided to the Company and its subsidiaries' most senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 31 March 2022 and 2021 is set out below.

	Continuing operations Oil and gas Year ended 31 March		**Discontinued operation Mobility services businesses Year ended 31 March**		**Total Year ended 31 March**	
	2022	2021	**2022**	2021	**2022**	2021
	HK$'000	*HK$'000* (Restated)	***HK$'000***	*HK$'000* (Restated)	***HK$'000***	*HK$'000* (Restated)
Revenue from sales and services *(note)*	**138,326**	90,008	**751,157**	1,670,507	**889,483**	1,760,515
Investment loss	**(328,640)**	(297,577)	**–**	–	**(328,640)**	(297,577)
Gain on deemed disposal of Weipin	**–**	–	**91,246**	–	**91,246**	–
Reportable segment loss (adjusted EBITDA)	**(410,649)**	(299,197)	**68,752**	(14,860)	**(341,897)**	(314,057)
Depreciation and amortisation	**(59,494)**	(52,672)	**(23,998)**	(90,224)	**(83,492)**	(142,896)
Interest income	**5,926**	12,510	**99**	204	**6,025**	12,714
Interest expense	**(4,717)**	(6,372)	**(382)**	(1,064)	**(5,099)**	(7,436)
Impairment loss on trade and other receivables	**(46,445)**	–	**(4,394)**	(13,550)	**(50,839)**	(13,550)
Reportable segment assets	**2,873,106**	3,022,112	**–**	586,058	**2,873,106**	3,608,170
(including interest in associates)	**290,326**	46,597	**–**	–	**290,326**	46,597
Additions to non-current segment assets during the year	**15,197**	1,949	**13,551**	9,826	**28,748**	11,775
Reportable segment liabilities	**(250,771)**	(260,874)	**–**	(205,205)	**(250,771)**	(466,079)

Note:

Revenue from sales and services reported above represents reportable segment revenue generated from external customers. There was no inter-segment revenue during current and prior year.

(ii) Reconciliations of reportable segment revenues, profit or loss, assets and liabilities

	Continuing operations Year ended 31 March		Discontinued operation Year ended 31 March		Year ended 31 March	
	2022	2021	**2022**	2021	**2022**	2021
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
		(Restated)		(Restated)		(Restated)
Revenue from sales and services	**138,326**	90,008	**751,157**	1,670,507	**889,483**	1,760,515

	Continuing operations Year ended 31 March		Discontinued operation Year ended 31 March		Year ended 31 March	
	2022	2021	**2022**	2021	**2022**	2021
Profit/(loss)	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
		(Restated)		(Restated)		(Restated)
Reportable segment (loss)/ profit (adjusted EBITDA)	**(410,649)**	(299,197)	**68,752**	(14,860)	**(341,897)**	(314,057)
Elimination of inter-segment profits	**(240)**	(915)	**–**	–	**(240)**	(915)
Depreciation and amortisation	**(59,494)**	(52,672)	**(23,998)**	(90,224)	**(83,492)**	(142,896)
Interest expense	**(4,717)**	(6,372)	**(142)**	(149)	**(4,859)**	(6,521)
Consolidated (loss)/profit before taxation	**(475,100)**	(359,156)	**44,612**	(105,233)	**(430,488)**	(464,389)

	At 31 March	At 31 March
	2022	2021
Assets	***HK$'000***	*HK$'000*
Reportable segment assets	**2,873,106**	3,608,170
Deferred tax assets	**–**	10,101
Elimination of inter-segment receivables	**–**	(12,747)
Consolidated total assets	**2,873,106**	3,605,524

	At 31 March	At 31 March
	2022	2021
Liabilities	***HK$'000***	*HK$'000*
Reportable segment liabilities	**250,771**	466,079
Deferred tax liabilities	**28,881**	107,913
Elimination of inter-segment payables	**–**	(12,747)
Consolidated total liabilities	**279,652**	561,245

(iii) Geographic information

The external customers and non-current assets (excluded deferred tax assets, right-of-use assets, financial instruments and interests in associates) are located in the PRC.

4 TAXES OTHER THAN INCOME TAX

	Continuing operations Year ended 31 March		Discontinued operation Year ended 31 March		Total Year ended 31 March	
	2022	2021	**2022**	2021	**2022**	2021
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
		(Restated)		(Restated)		(Restated)
Resources tax	**8,301**	5,401	**–**	–	**8,301**	5,401
Petroleum special profit taxation	**7,447**	–	**–**	–	**7,447**	–
City construction tax	**784**	526	**548**	74	**1,332**	600
Education surcharge	**784**	526	**140**	69	**924**	595
Water resources tax	**521**	389	**–**	–	**521**	389
	17,837	6,842	**688**	143	**18,525**	6,985

5 NET FINANCE INCOME/(COSTS)

	Continuing operations Year ended 31 March		Discontinued operation Year ended 31 March		Total Year ended 31 March	
	2022	2021	**2022**	2021	**2022**	2021
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
		(Restated)		(Restated)		(Restated)
Interest income	**5,686**	11,595	**99**	204	**5,785**	11,799
Net gain on bank financing products	**1,592**	1,253	**–**	–	**1,592**	1,253
Foreign exchange gain, net	**4,030**	1,534	**–**	–	**4,030**	1,534
Interest on bank and other borrowings	**(583)**	(1,247)	**–**	–	**(583)**	(1,247)
Interest on lease liabilities	**(341)**	(421)	**(142)**	(149)	**(483)**	(570)
Interest on convertible bond *(note 13)*	**(3,793)**	(4,704)	**–**	–	**(3,793)**	(4,704)
Accretion expenses	**(2,802)**	(2,539)	**–**	–	**(2,802)**	(2,539)
Others	**(80)**	(54)	**(79)**	(240)	**(159)**	(294)
Total	**3,709**	5,417	**(122)**	(185)	**3,587**	5,232

6 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(a) Taxation in the consolidated statement of profit or loss represents:

	Continuing operations Year ended 31 March		Discontinued operation Year ended 31 March		Total Year ended 31 March	
	2022	2021	**2022**	2021	**2022**	2021
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
		(Restated)		(Restated)		(Restated)
Current tax — Hong Kong Profits Tax						
Provision for the year	**–**	–	**–**	–	**–**	–
Current tax — Outside of Hong Kong						
Provision for the year	**14,501**	–	**–**	–	**14,501**	–
Deferred tax						
Origination and reversal of temporary differences	**(6,623)**	205	**(12,312)**	(28,218)	**(18,935)**	(28,013)
	7,878	205	**(12,312)**	(28,218)	**(4,434)**	(28,013)

(b) Reconciliation between tax expense and accounting loss at applicable tax rate:

	Continuing operations Year ended 31 March		Discontinued operation Year ended 31 March		Total Year ended 31 March	
	2022	2021	**2022**	2021	**2022**	2021
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
		(Restated)		(Restated)		(Restated)
Loss before taxation	**(475,100)**	(359,156)	**44,612**	(105,233)	**(430,488)**	(464,389)
Notional tax on profit before taxation, calculated at the rates applicable to profits in the countries concerned	**(3,802)**	(4,317)	**11,153**	(26,308)	**7,351**	(30,625)
R&D expenses plus deduction	**–**	–	**(1,204)**	(2,179)	**(1,204)**	(2,179)
Effect of non-taxable income	**(11,805)**	(3,896)	**(22,872)**	–	**(34,677)**	(3,896)
Effect of non-deductible expenses	**7,365**	667	**611**	269	**7,976**	936
Effect of unrecognised tax losses	**16,120**	7,751	**–**	–	**16,120**	7,751
Actual tax expense	**7,878**	205	**(12,312)**	(28,218)	**(4,434)**	(28,013)

Pursuant to the rules and regulations of Cayman Islands, Bermuda and the British Virgin Islands (the "**BVI**"), the Company and its subsidiaries are not subject to any income tax in Cayman Islands, Bermuda or the BVI.

No provision for Hong Kong profits tax has been made as the Company and its subsidiaries' operations in Hong Kong had no assessable profits for the year. The provision for Hong Kong profits tax is calculated at 16.5% (FY2021: 16.5%) of the estimated assessable profit for the years.

The provision for PRC current income tax is based on a statutory rate of 25% (FY2021: 25%) of the assessable profit as determined in accordance with the relevant income tax rules and regulations of the PRC.

7 DISCONTINUED OPERATION

On 15 November 2019, Triple Talents Limited ("**Triple Talents**"), a wholly-owned subsidiary of the Company, entered into a series of agreements with Weipin and its affiliates, pursuant to which Triple Talents agreed to subscribe for certain equity shares in Weipin. Upon completion of this transaction, the Group has become the controlling shareholder of Weipin effectively holding 35.5% of its total share capital and Weipin has become the holding company of the mobility services platform business.

On 21 June 2021, to provide the management of Weipin with more flexibility in terms of decision making over its operations, through amicable negotiations, the shareholders of Weipin agreed to enter into an amended shareholders' agreement so as to, among other things, make adjustments to the structure of the board of Weipin, of which the Group agrees to lower its number of designated directors from 3 to 2 directors in the board of Weipin (the "**Adjustment**"). After the Adjustment, the Group lost control over the relevant activities of Weipin. Pursuant to the relevant regulatory requirements and accounting standards, Weipin ceased to be consolidated into the financial statements of the Company with effect from 21 June 2021 ("**Deemed Disposal of Weipin**"). The shareholding percentage held by the Company in Weipin remains unchanged (i.e. 35.5%), and Weipin continues to be a portfolio company invested by the Company.

Weipin is principally engaged in the online ride-hailing services business. The results of Weipin for the period from 1 April 2021 to 21 June 2021 have been presented as discontinued operation in the financial statements in accordance with HKFRS 5, *Non-current Assets Held for Sale and Discontinued Operation*, and the comparative figures of the statement of profit or loss and other comprehensive income and corresponding notes have been restated to show the discontinued operation separately from continuing operations.

(a) Results of discontinued operation:

	Note	For the period from 1 April 2021 to 21 June 2021 *HK$'000*	Year ended 31 March 2021 *HK$'000*
Revenue from services	*3(b)*	751,157	1,670,507
Cost of services		(760,166)	(1,686,387)
		(9,009)	(15,880)
Other net losses		–	(6)
Administrative expenses		(32,421)	(75,469)
Taxes other than income tax	*4*	(688)	(143)
Impairment loss on trade receivables		(4,394)	(13,550)
Loss from operation		(46,512)	(105,048)
Net finance costs	*5*	(122)	(185)
Loss before taxation		(46,634)	(105,233)
Income tax	*6*	12,312	28,218
Loss for the period		(34,322)	(77,015)
Gain on deemed disposal of Weipin	*7(c)*	91,246	–
Profit/(loss) from discontinued operation		56,924	(77,015)

(b) Cash flows generated from discontinued operation:

	For the period from 1 April 2021 to 21 June 2021 *HK$'000*	Year ended 31 March 2021 *HK$'000*
Net cash (used in)/generated from operating activities	(61,357)	62,735
Net cash used in investing activities	(4,077)	(6,117)
Net cash used in financing activities	(645)	(1,948)
Net cash (outflow)/inflow	(66,079)	54,670

(c) Gain on deemed disposal of Weipin

	As at 21 June 2021 *HK$'000*
Fair value of the interests retained in Weipin	**263,998**
Less:	
Property, plant and equipment	**1,685**
Intangible assets	**290,715**
Right-of-use assets	**8,086**
Other non-current assets	**1,027**
Goodwill	**112,837**
Deferred tax assets	**17,042**
Trade and other receivables	**95,014**
Cash and cash equivalents	**16,315**
Trade and other payables	**(166,246)**
Lease liabilities	**(8,278)**
Deferred tax liability	**(69,371)**
Exchange reserve released upon deemed disposal of Weipin	**(6,111)**
Non-controlling interests	**(119,963)**
Gain on deemed disposal of Weipin	**91,246**

The fair value of the interests retained was determined based on a discounted cash flow forecast. The Company used best-low scenarios with 50% possibilities applied separately to each scenario to reach a fair value. These calculations used cash flow projections based on financial budgets approved by management of Weipin covering a five-year period.

Under the best scenario, the Company used an estimated weighted average growth rate of 3% for cash flows beyond the five-year period which was consistent with the forecasts included in industry reports. The growth rates used did not exceed the long-term average growth rates for the business in which Weipin operates.

Under the low scenario, the Company didn't consider the cash flows beyond five-year period, while referred to the market multiplier of comparable listed companies as the exit multiple to calculate the terminal value at the end of five-year period. EV/revenue multiple of 2.7 was adopted after considering the discount for lack of marketability ("**DLOM**") of 30%.

The cash flows in sustainable growth method were discounted using a discount rate of 29%, which was post-tax and reflected specific risks relating to the relevant segment.

8 EARNINGS/(LOSS) PER SHARE

(a) Basic earning/(loss) per share

The calculation of basic and diluted earnings/(loss) per share is based on the loss attributable to ordinary equity shareholders of the Company of HK$403,761,000 and the weighted average of 6,925,854,000 ordinary shares in issue during the year, calculated as follows:

(1) (Loss)/profit attributable to ordinary equity shareholders of the Company

	Year ended 31 March	
	2022	2021
	HK$'000	*HK$'000*
		(Restated)
— From continuing operations	**(482,978)**	(359,361)
— From discontinued operation	**79,217**	(27,340)
	(403,761)	(386,701)

(2) Weighted average number of ordinary shares

	Year ended 31 March	
	2022	2021
	'000	*'000*
Issued ordinary shares at 1 April	**6,891,710**	6,594,867
Effect of conversion of convertible bond *(note 13(f) and (g))*	**22,831**	17,123
Effect of shares repurchased *(note 14(b))*	**–**	(776)
Effect of equity settle share based payment transaction *(note 12)*	**11,313**	–
Weighted average number of ordinary shares at 31 March	**6,925,854**	6,611,214

(b) Diluted loss per share

There were no potential dilutive shares as at the year ended 31 March 2022, and the diluted earnings/(loss) per share are equal to the basic earnings/(loss) per share.

No adjustment has been made to the basic loss per share amounts presented for the year ended 31 March 2021 in respective of a dilution as the impact of the conversional bond had an anti-dilutive effect on the basic loss from continuing operations per share amounts presented.

9 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	At 31 March 2022	At 31 March 2021
	HK$'000	*HK$'000*
Non-current assets		
Stonehold investment *(note (a))*	**–**	964,430
JOVO investment *(note (b))*	**–**	170,950
Symbio Infrastructure investment (formerly known as GNL Quebec investment) *(note (c))*	**–**	68,342
ssLNG solution investment *(note (d))*	**–**	25,109
Fund investment *(note (e))*	**72,809**	59,322
	72,809	1,288,153
Current assets		
Stonehold investment *(note (a))*	**523,272**	–
JOVO investment *(note (b))*	**315,581**	–
Bank financing products	**11,097**	35,495
	849,950	35,495

Notes:

(a) On 14 August 2017 (local time in Houston, Texas, the U.S.), the Company and Think Excel Investments Limited ("**Think Excel**"), a wholly-owned subsidiary of the Company, entered into a credit agreement (the "**Credit Agreement**") with Stonehold Energy Corporation ("**Stonehold**"), pursuant to which, the Company and Think Excel have conditionally agreed to grant a Term Loan to Stonehold (the "**Stonehold investment**") for the purpose of financing the acquisition of certain oil and gas related assets (the "**Target Assets**") and the subsequent operations of such assets by Stonehold. On the same date, Stonehold entered into an acquisition agreement (the "**Acquisition Agreement**") with Stonegate Production Company, LLC (the "**Stonegate**"), pursuant to which, Stonegate has conditionally agreed to sell and Stonehold has conditionally agreed to purchase the Target Assets. Stonegate, as one of the non-operators, held all the Target Assets which are unconventional shale oil and gas assets in the Eagle Ford core region in the U.S.

On 26 September 2017 (local time in Houston, Texas, the U.S.), the initial payment of the Term Loan with an amount of US$165.0 million (approximately HK$1,291.1 million) under the Credit Agreement was released to Stonehold and the acquisition of the Target Assets by Stonehold from Stonegate has also been consummated in accordance with the terms of the Acquisition Agreement, and a subsequent payment of the Term Loan with an amount of US$5.0 million (approximately HK$39.0 million) was released to Stonehold on 22 November 2017. Under the Credit agreement, the Company and Think Excel are entitled to interest on the principal amount of the Stonehold investment at a rate of 8% per annum (after the making of or the allocation of any applicable withholding tax). Think Excel are also entitled to additional interest at an amount equal to 92.5% of the remainder cash proceeds received or recovered by Stonehold in respect of any disposal of the Target Assets after deducting outstanding principals and interests pursuant to the Credit Agreement, as well as after deducting any sharing amount, fees, costs and expenses reasonably incurred by Stonehold with respect to such disposal, if applicable. The maturity date of the Stonehold investment is 10 years after the initial payment of the Stonehold investment.

In March 2022, the Group received and accepted a memorandum of understanding from Stonehold and was advised that Stonehold would undertake a process for the sale of Target Assets as soon as reasonably practicable.

(b) On 14 July 2017, Valuevale Investment Limited ("**Valuevale**") entered into a subscription agreement with Jiangxi Jovo Energy Company Limited ("**JOVO**"), pursuant to which Valuevale has conditionally agreed to subscribe for, and JOVO has conditionally agreed to allot and issue, shares of JOVO at a consideration of RMB100 million (equivalent to approximately HK$115.2 million). The completion of the Subscription took place on 28 July 2017.

JOVO is a comprehensive clean energy service provider focusing on the mid-stream and terminal aspect of the gas industry. It offers a wide range of clean energy and related products, such as liquefied natural gas (LNG), liquefied petroleum gas (LPG) and methanol, and comprehensive solutions of international energy provision and integrated application.

On 25 May 2021, JOVO successfully completed its IPO and listed its shares on the Shanghai Stock Exchange.

(c) On 30 November 2017, Golden Libra Investment Limited ("**Golden Libra**"), a wholly-owned subsidiary of the Company, entered into an agreement of purchase and sale with an investment fund for purchasing its interests in Symbio Infrastructure Limited Partnership ("**Symbio Infrastructure**") (formerly known as "GNL Quebec") at the purchase price of US$3.15 million (equivalent to approximately HK$24,633,000). The completion of the acquisition took place on 7 February 2018.

On 26 July 2018, Golden Libra invested another US$1 million (equivalent to approximately HK$7,800,000) in Symbio Infrastructure to support ongoing development. On 30 December 2018, Golden Libra has transferred Symbio Infrastructure investment to Valuevale.

Symbio Infrastructure, through its wholly-owned subsidiary Symbio Infrastructure Inc., is developing a state-of-the-art and low-carbon-emission LNG exporting terminal (the "**Terminal**") with a maximum nameplate liquefaction capacity of up to eleven million tons per annum.

However, on 21 July 2021, the Quebec Provincial government announced that it would not approve environmental permits for the Terminal. On 7 February 2022, the Federal government also announced it would not approve the environmental permits for the Terminal.

(d) On 15 July 2020, the Company entered into a subscription agreement with a small scale LNG solution provider ("**ssLNG solution investment**") at an aggregate subscription price of US$3 million (approximately HK$23.2 million). LNG solution provider aims to solve defining challenges in strategy, operation, sustainability and new business development for LNG industry clients across Asian Market. The Company exited the ssLNG solution investment during year ended 31 March 2022.

(e) On 8 June 2020, Valuefort Investment Limited ("**Valuefort**"), a wholly-owned subsidiary of the Company, and general partner of IDG Capital Project Fund II, L.P. entered into an subscription agreement for the admission of Valuefort as the subscriber into the Fund. Pursuant to the agreement, Valuefort proposed to make capital commitments of US$20 million (equivalent to approximately HK$155.05 million). As at 31 March 2022, the total capital contributed by Valuefort was US$8.6 million (equivalent to approximately HK$66.8 million).

10 TRADE AND OTHER RECEIVABLES

As of the end of the reporting period, the aging analysis of trade receivables, based on the invoice date (or date of revenue recognition, if earlier) and net of allowance for doubtful debts, is as follows:

	At 31 March 2022 *HK$'000*	At 31 March 2021 *HK$'000*
Within 1 month	**10,845**	51,216
1 to 6 months	**–**	3,432
Trade receivables, net of allowance for doubtful debts	**10,845**	54,648
Bills receivable	**8,878**	24,965
Other receivables	**42,365**	19,003
	62,088	98,616

The Company and its subsidiaries measure loss allowance for trade receivables at amount equal to lifetime ECLs. The ECLs were calculated based on historical actual credit loss experiences. The rates were considered the differences between economic conditions during the period over which the historical data has been collected, current conditions and Company and its subsidiaries' view of economic conditions over the expected lives of the receivables. The Company and its subsidiaries performed the calculation of ECL rates by the operating segment.

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at 31 March 2022 and 2021:

			Impairment provision on provision matrix basis		
31 March 2022	**Gross carrying amount** *HK$'000*	**Impairment provision on individual basis** *HK$'000*	**Weighted-average loss rate** *%*	**Impairment provision** *HK$'000*	**Loss allowance** *HK$'000*
with 1 month past due	**10,845**	**–**	**0.00%**	**–**	**–**
1 to 6 months past due	**–**	**–**	**N/A**	**–**	**–**
over 6 months past due	**2,010**	**2,010**	**N/A**	**–**	**2,010**
Total	**12,855**	**2,010**		**–**	**2,010**

31 March 2021	Gross carrying amount *HK$'000*	Impairment provision on individual basis *HK$'000*	Impairment provision on provision matrix basis: Weighted-average loss rate *%*	Impairment provision on provision matrix basis: Impairment provision *HK$'000*	Loss allowance *HK$'000*
with 1 month past due	53,859	–	4.91%	2,643	2,643
1 to 6 months past due	13,773	–	75.08%	10,341	10,341
over 6 months past due	2,964	1,928	100.00%	1,036	2,964
Total	70,596	1,928		14,020	15,948

The Company and its subsidiaries on-going evaluate credit risk for other receivables by taking into account their past history of making payments when due and current ability to pay. Expected credit loss for other receivables amounting to HK$46,445,000 (2021: Nil) was recognised for the year ended 31 March 2022, which was mainly related to a loan receivable due from a third party.

11 TRADE AND OTHER PAYABLES

As of the end of the reporting period, the ageing analysis of trade payables, based on the invoice date (or date of recognition, if earlier), is as follows:

	At 31 March 2022 ***HK$'000***	At 31 March 2021 *HK$'000*
Within 1 year	**20,944**	178,599
Over 1 year but within 2 years	**4,706**	15,341
Over 2 years but within 3 years	**5,931**	3,376
Over 3 years	**8,412**	10,147
Trade payables	**39,993**	207,463
Taxes other than income tax payable	**28,401**	20,849
Income tax payable	**15,393**	1,524
Payable due to Yanchang	**60,989**	65,346
Interest payable	**10,444**	10,568
Others	**9,939**	20,872
	165,159	326,622

The fair value of trade payables approximates their carrying amounts.

12 EQUITY SETTLED SHARE-BASED TRANSACTIONS

The Company adopted a share award scheme which was adopted on 6 August 2021 whereby the directors were authorised, at their discretion, to select any eligible participant (other than any excluded participant) for participation in the share award scheme. On 7 October 2021 and 14 January 2022, the Company granted 60,120,000 award shares and 17,379,000 award shares to 10 employees and 15 employees of the Company and its subsidiaries, respectively, without compensation, pursuant to the share award scheme.

The 60,120,000 awarded shares have been held on trust for the grantees by the trustee which shall transfer the award shares to the grantees in tranches as follows: (i) the first tranche totalling 25,050,000 awarded shares were vested immediately following the date of grant, which are subject to a lock-up period and will be equally released in five tranches from 2022 to 2026; and (ii) the remaining 35,070,000 awarded shares shall be vested in five equal tranches immediately following each anniversary of the date of grant from 2022 to 2026. The vesting of the awarded shares is subject to the satisfaction of non-market and service period conditions specified by the Board or the administration committee in the award notice issued to each of the respective grantees.

The 17,379,000 awarded shares have been held on trust for the grantees by the trustee which shall transfer the awarded shares to the grantees in three tranches as follows: (i) 30% shall be vested immediately following the first anniversary of the date of grant; (ii) 30% shall be vested immediately following the second anniversary of the date of grant; and (iii) the remaining 40% shall be vested immediately following the third anniversary of the date of grant. The vesting of the awarded shares is subject to the satisfaction of non-market and service period conditions specified by the Board or the administration committee in the award notice issued to each of the respective grantees.

In connection with the implementation of the share award scheme of the Company, the Company has consolidated a structured entity ("**Share Scheme Trust**") and its particulars are as follows:

Structured entity	**Principal activities**
Share Scheme Trust	Administering and holding the Company's shares acquired for the Share Award Scheme which is set up for the benefits of eligible participant of the scheme

The awarded shares granted on 7 October 2021 and 14 January 2022 were valued at HK$0.99 and HK$1.10 per share, respectively, which was the market price of the ordinary share at the date of grant.

The details of the movements of the outstanding awarded shares were set out below:

	Year ended 31 March 2022 *'000*
Outstanding at 1 April 2021	**–**
Granted during the year	**77,499**
Exercised during the year	**(25,025)**
Forfeited during the year	**(60)**
Outstanding at 31 March 2022	**52,414**

13 CONVERTIBLE BOND

	Liability component *HK$'000*	Equity component *HK$'000*	Total *HK$'000*
At 1 April 2020	50,018	86,119	136,137
Interest expenses	4,704	–	4,704
Interest payable	(600)	–	(600)
Conversion of convertible bond *(note (f))*	(17,977)	(28,707)	(46,684)
At 31 March 2021	36,145	57,412	93,557
Interest expenses	3,793	–	3,793
Interest payable	(373)	–	(373)
Conversion of convertible bond *(note (g))*	(39,565)	(57,412)	(96,977)
At 31 March 2022	–	–	–

Notes:

(a) As at 29 July 2016, the convertible bonds originally had total nominal value of HK$120,000,000 and interest at 1% per annum which were payable half year in arrears. The convertible bonds were convertible into the Company's ordinary shares at a conversion price of HK$0.0672 per share at any time before 30 April 2018.

The convertible bonds have been accounted for as compound financial instruments containing an equity component and a liability component. The liability component was initially measured at fair value of HK$114,208,000 at discount rate of 4.12% per annum and carried at amortised cost.

(b) On 15 August 2017, the Company entered into a deed of amendment with Titan Gas, one holder of the convertible bond, to further extend the maturity date of the convertible bond with nominal value of HK$96,832,526 from 30 April 2018 to 30 April 2022, and to remove certain adjustment events to the conversion price.

The modification resulted in the extinguishment of the financial liability of the convertible bond and the recognition of new financial liability and equity component. The fair value of the new financial liability regarding the convertible bond revised portion immediately following the modification was approximately HK$63,421,000. The fair value of the liability component was determined by discounted cash flows over the remaining terms of the convertible bonds at an effective interest rate of 10.88% per annum.

(c) On 25 September 2017, Tanisca Investments Limited, another holder of the convertible bond, exercised the conversion rights to convert all the convertible bond held with the nominal value of HK$23,167,474 into 344,754,077 ordinary shares.

(d) On 22 August 2018, Titan Gas transferred parts of the convertible bonds with the nominal value of HK$16,832,526 to three entities.

(e) On 18 October 2018 and 17 December 2018, convertible bond holders exercised the conversion rights to convert their convertible bond with the nominal value of HK$18,432,526 and HK$18,400,000, into 274,293,540 and 273,809,523 ordinary shares respectively.

(f) On 9 March 2021, Titan Gas transferred part of the convertible bond with the nominal value of HK$6,048,000 to another entity. On 11 March 2021, Titan Gas and the other convertible bond holder exercised the conversion rights to convert their convertible bonds with the nominal value of HK$13,952,000 and HK$6,048,000 into 207,619,047 and 90,000,000 ordinary shares respectively. At 31 March 2021, the remaining convertible bond with the nominal value of HK$40,000,000 was solely held by Titan Gas.

(g) On 24 February 2022, Titan Gas made an in-kind distribution of part of the convertible bond with the nominal value of HK$16,930,766 to another entity. On 18 March 2022, certain bond holders exercised the conversion rights to convert the convertible bond with the nominal value of HK$40,000,000 into 595,238,095 ordinary shares. At 31 March 2022, there was no outstanding convertible bond in issue.

14 CAPITAL, RESERVES AND DIVIDENDS

(a) Dividends

There is no dividend declared attributable to the year ended 31 March 2022 (2021: Nil).

There is no dividend payable to owners of the Company attributable to previous financial year, approved and paid during the year ended 31 March 2022 (2021: Nil).

(b) Share capital

	Ordinary shares		Preferred shares		Total	
	Number of shares '000	*Nominal value HK$'000*	*Number of shares '000*	*Nominal value HK$'000*	*Number of shares '000*	*Nominal value HK$'000*
Shares of HK$0.01 each						
Authorised:						
At 1 April 2020, 31 March 2021 and 31 March 2022	11,000,000	110,000	5,000,000	50,000	16,000,000	160,000
Issued, paid or payable:						
At 1 April 2020	6,594,867	65,959	–	–	6,594,867	65,959
Purchase of own shares *(note)*	(776)	(18)	–	–	(776)	(18)
Conversion of convertible bond	297,619	2,976	–	–	297,619	2,976
At 31 March 2021	6,891,710	68,917	–	–	6,891,710	68,917
Insurance of shares	77,499	775	–	–	77,499	775
Conversion of convertible bond	595,238	5,952	–	–	595,238	5,952
At 31 March 2022	7,564,447	75,644	–	–	7,564,447	75,644

Note: During the year ended 31 March 2022 and 2021, the Company repurchased its own shares on the Stock Exchange as follows:

Month/year	Number of shares repurchased	Highest price paid per share	Lowest price paid per share	Aggregate price paid
		HK$	*HK$*	*HK$'000*
April 2020	776,000	0.89	0.80	655

All the repurchased shares were cancelled by the Company upon such repurchase and, accordingly, the issued share capital of the Company was reduced by the nominal value of these shares. The premium payable on the repurchase was charged against the share premium account.

15 NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

(a) Update on Stonehold Investment

On 10 June 2022, Stonehold entered into a purchase and sale agreement with a buyer (the "**Buyer**") who, to the best of the directors' knowledge, information and belief having made all reasonable enquiries, is a third party independent of the Company and its connected persons as at the date of this announcement, pursuant to which Stonehold agreed to sell and assign to the Buyer all of its right, title and interest in the underlying assets (the "**Disposal**"). The Disposal is expected to be completed in late July 2022.

Stonehold shall, pursuant to the terms of the Credit Agreement, start to repay the entire outstanding principal and all accrued but unpaid interest of the Stonehold investment together with the additional interest, which is expected to be approximately US$63.5 million (approximately HK$501.8 million) in total, to the Company and Think Excel as soon as reasonably practicable, and in any event within three business days from the completion date of the Disposal. The actual gain or loss from the Disposal will depend on revaluation of the book value of the Stonehold Investment prior to the completion of the Disposal, and the actual amount to be received by the Company and Think Excel, which will be disclosed in the interim or annual report to be published by the Company in the future.

(b) Acquisition of Solar Companies

On 13 June 2022 (after trading hours), the Company and Valuevale (a wholly-owned subsidiary of the Company) (the "**Purchaser**") entered into a sale and purchase agreement with the RENA Technologies GmbH (the "**Seller**"), pursuant to which the Purchaser has conditionally agreed to purchase, and the Seller has conditionally agreed to sell the entire equity interest in Shanghai Rena Trading Co., Ltd.* (上海瑞耐貿易有限責任公司) and Rena Solar Technologies (Yiwu) Co., Ltd.* (瑞納太陽能科技(義烏)有限公司) at a consideration of EUR50 million (equivalent to approximately HK$412.08 million).

BUSINESS REVIEW

The principal activities of the Company and its subsidiaries

The Company is engaged in advanced manufacturing of productivity-driven equipment applied in semiconductor and solar power businesses. It also operates an oil and gas production project in China.

Summary of key investment portfolios

1. Investment in advanced manufacturing industry

The Company has evaluated and considered that the application of advanced manufacturing will be a major global development trend. The advanced manufacturing sector features a wide range of applications across different industries, and the Company has been reviewing semiconductor industry developments in China and the global market.

According to reputable market projections, it is estimated that the global semiconductor market will reach US$676 billion in 2022, and will achieve US$900 billion by 2030. The global sales of semiconductor manufacturing equipment by original equipment manufacturers are forecast to reach US$101.3 billion in 2022 comparing to US$95.3 billion in 2021. The rapid development of smaller chips is expected to comply with more stringent requirements and new solutions for fabrication equipment. In the meanwhile, Moore's Law slowdown magnifies equipment productivity and dynamic international geopolitics promote re-optimization of supply chain. Tier-one manufacturers primarily deploy resources on leading-edge node with minimum efforts on improving productivity of mature tools. Therefore, new entrants are offered opportunities to develop new types of high productivity equipment with innovative designs. To capitalise on these market developments, the Company plans to gradually further expand its investment in opportunities relating to semiconductor equipment. In addition to the semiconductor industry, the solar power industry is another major advanced manufacturing business that the Company is going to develop. According to Bloomberg New Energy Finance (BNEF), the LCOE (levelized cost of electricity) of solar power has decreased by more than 80% over the past 10 years, where China has reached grid parity in 2020, which would speed up the industry growth in the future. According to reputable market forecasts, the global solar module market is estimated to reach US$56.2 billion in 2022 and US$78.1 billion in 2030, and the corresponding market size of the solar cell equipment market will reach US$5.6 billion in 2030.

1.1 Advanced manufacturing fund investment

On 27 March 2021, Giant Charm Investments Limited (a wholly-owned subsidiary of the Company) ("**Giant Charm**"), Fortuna I SP and the partners of Soview International Fund LP (the "**Fund**") entered into an amended and restated limited partnership agreement (the "**Amended and Restated Limited Partnership Agreement**") for the admission of Giant Charm and Fortuna I SP as the limited partners into the Fund. Pursuant to the Amended and Restated Limited Partnership Agreement, the general partner of the Fund (the "**General Partner**") is targeting approximately US$300 million (equivalent to approximately HK$2,330.94 million) in capital commitments from all existing and potential limited partners. Currently, Giant Charm and Fortuna I SP, as the limited partners of the Fund, propose to make capital commitments of US$105 million (equivalent to approximately HK$815.83 million) and US$80 million (equivalent to approximately HK$621.59 million), respectively. The General Partner proposes to make capital commitments of US$2 million (equivalent to approximately HK$15.54 million). As at the date of this final results announcement, Giant Charm has not yet made any actual payment into the Fund.

The Fund primarily focuses on advanced manufacturing companies and businesses, including but not limited to those engaging in the research, development and application of new, innovative or other state-of-the-art technologies, know-hows, processes, techniques, tools, materials for the development and/or fabrication of oil and gas exploration or production equipment, new energy facilities, semiconductor devices and products. The investment objective of the Fund is to seek to generate long-term capital appreciation through such investments.

For details, please refer to the announcement of the Company dated 28 March 2021.

1.2 Development in semiconductor and solar power equipment business

The advanced manufacturing business in cleaning equipment for semiconductor and solar power which focuses on technology and solutions providing high productivity to customers is a key area where the Company is now putting efforts and resources. In order to promote this new business development, the Company has expanded its management expertise by introducing highly experienced new management members leading the new advanced manufacturing in semiconductor and solar power businesses. Dr. Liu Erzhuang ("**Dr. Liu**") has been appointed as the President of the Company with effect from 1 December 2021, and subsequently as the Chief Executive Officer of the Company with effect from 13 May 2022.

Dr. Liu will be leading a management team for this new business development, aiming to build core competencies to synergize the equipment business in both semiconductor and solar cells. The core team members for the new business have working experience in top-tier companies in advanced manufacturing related upstream and downstream companies globally with average working experience in the industry of more than 15 years. The majority of the team members hold a master's degree or above and possess outstanding technical and management expertise, abundant practical experience in research and development, production and operation of semiconductor equipment, and in-depth analysis and understanding of the market and customer needs. The core management and technical team are expected to quickly establish a sound and stable talent team for facilitating the long-term development of this business.

On 27 January 2022, the Company entered into a manufacturing and supply agreement (the "**Manufacturing Agreement**") with the German partner, which is principally engaged in manufacturing wet processing equipment (the "**German Partner**") . Pursuant to the Manufacturing Agreement, the Company shall manufacture and supply to the German Partner the selected wet chemical and similar equipment (the "**Products**") for a term of five years commencing before February 2022. The German Partner will grant an exclusive and royalty-free license to the Company to use its manufacturing know-how for the purpose of manufacturing of the Products during the term of the Manufacturing Agreement.

On 4 February 2022, Valuevale Investment Limited ("**Valuevale**"), a wholly-owned subsidiary of the Company, entered into an investment agreement and related supplemental agreement (the "**Investment Agreement**") with Xuzhou National High-tech Industrial Development Zone Management Committee ("**Xuzhou High-tech Zone**"), in relation to the research, development and manufacturing project of semiconductor and pan-semiconductor wet cleaning equipment (the "**Project**"). Pursuant to the Investment Agreement, the Company will set up a foreign-invested project company (the "**Production Base**") with a registered capital of US$30 million within two months after the execution of the Investment Agreement, to engage in the construction of the semiconductor and solar cell cleaning equipment production lines. For the purpose of supporting the development of the Project, Xuzhou High-tech Zone will provide selected locations with usable area of approximately 21,600 square meters and other economic support and facilitation to the Production Base, including financial, rental, research and development, and housing to the staff of the Production Base. The production lines were put into operation in early May 2022 and the first solar cell wet processing equipment was rolled out on 2 June 2022.

On 18 April 2022, PDT Shanghai, a wholly-owned subsidiary of the Company, received the PO from the Customer, which is based in Guangdong Province. The Customer was co-founded with a domestic auto manufacture and is principally engaged in manufacturing and developing silicon carbide wafers in the automotive grade and industrial control fields. It also provides chip manufacturing foundry services for IDM, design companies, automotive and industrial end customers in the field of new energy vehicles and industrial control. Pursuant to the PO, the Customer agreed to buy the Cube Product from PDT Shanghai. The Cube Product focuses on SiC backside clean application. Compared with other similar products in the market, the key advantage of the Cube Product to be manufactured by PDT Shanghai is that it aims to maximize the productivity of semiconductor manufacturing by utilizing the superposition in chamber layout and hence provides an enlarged capacity and lower cost of ownership under the same footprint. Each unit is expected to be delivered to the Customer in the fourth quarter of 2022 and 2023, respectively.

On 13 June 2022, the Company and Valuevale (the "**Purchaser**") entered into a sale and purchase agreement with RENA Technologies GmbH (the "**Seller**"), pursuant to which the Purchaser has conditionally agreed to purchase, and the Seller has conditionally agreed to sell the entire equity interest in Shanghai Rena Trading Co., Ltd.* (上海瑞耐貿易有限責任公司) and Rena Solar Technologies (Yiwu) Co., Ltd.* (瑞納太陽能科技(義烏)有限公司) at a consideration of EUR50 million (equivalent to approximately HK$412.08 million). The completion has not taken place as at the date of this final results announcement.

Going forward, the Company will continue to execute the footprint of this new business in an expeditious manner with actions including, but not limited to the following:

- Working closely with the German Partner to continue the manufacturing of the cleaning equipment for solar cell under the Manufacturing Agreement to achieve the production target of two tools per week after the ramp-up period;

- Coordinating the Company's existing resources and those brought by the acquisition of the two solar companies in an effort to expedite the development of the Company's business segment of solar cell equipment and improve its profitability and the competitive advantages, fueling future growth;

- Completing the manufacturing and delivery of the two units of single wafer wet processing equipment under the PO as well as the design and manufacturing of other products for semiconductor cleaning; and

- Developing high-profile customers for both semiconductor cleaning equipment and solar cell cleaning equipment utilizing our current clientele as a foundation with strong financial background, independent innovation and dominating manufacturing capabilities.

The Board considers this diversification and expansion plan will allow the Company to enlarge its business portfolio into the rapidly developing areas of equipment manufacturing for semiconductor and solar cells, turning opportunity into business, diversifying and broadening its income stream and revenue base, which potentially leads to enhancing its financial performance by leveraging the expertise and networking of Dr. Liu and the other core team members. The Board considers that the new business development is in the best interests of the Company and the shareholders as a whole.

The current new business development represents another milestone initiative of the Company in developing this promising line of investment. The Company is in the process of identifying and evaluating good investment opportunities in this industry segment. The Company will issue further announcements as and when appropriate in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") for any significant investment and business development.

For details of development of new business, please refer to the announcements of the Company dated 1 December 2021, 28 January 2022, 4 February 2022, 19 April 2022, 30 May 2022, 2 June 2022 and 13 June 2022.

2. *Investment in global energy sector*

2.1 Investment in upstream crude oil assets

The Company made an acquisition of an upstream crude oil asset in 2016 at favourable costs and completed the investment in another upstream shale oil project in 2017.

After experiencing the severe disruption to the crude oil market caused by the COVID epidemic in 2020, the international crude oil market was more resilient in 2021. Brent crude oil futures prices rose steadily from US$70/barrel in the second quarter of 2021 to US$139/barrel in the first quarter of 2022, showing a continued upward trend especially due to the Russo-Ukrainian conflict. The crude oil price is still highly fluctuating. The rise in oil prices is mainly driven by the mismatch between supply and demand sides as well as geopolitical factors. From the supply side, the increase in crude oil production by the Organization of Petroleum Exporting Countries (OPEC) was lower than anticipated, driving the price of the international crude oil market upward; from the demand side, the global COVID vaccination progress has been accelerated, and the impact of the epidemic has weakened, altogether driving a recovery of crude oil demand in the global market. According to publicly available data, the crude oil inventories are at the lowest level since 2015, and due to the influence of geopolitical factors, crude oil prices remain high. Despite a rebound in the oil and gas prices, it is high time that attention be paid to the impact of the adjustment of the energy industry structure in various countries around the world, the transition to low-carbon and new energy, and other factors on the oil price.

2.1.1 Hongbo Mining Investment

Hongbo Mining, one of the upstream oil and gas portfolio companies, is the Company's wholly-owned subsidiary and is engaged in exploration, development, production and sale of crude oil in China. The Company completed the acquisition of Hongbo Mining in July 2016 at the consideration of RMB558.88 million (equivalent to approximately HK$652 million).

Under the exploration and production cooperation contract (the "**EPCC**") entered into between Hongbo Mining and Yanchang, Yanchang (as the mineral right owner) and Hongbo Mining (as the operator) cooperate to explore for crude oil in Block 212 and Block 378 which cover a combined region of 406 km^2 in Inner Mongolia; and Hongbo Mining and Yanchang are entitled to 80% and 20% of the sale proceeds (net of any sales related taxes), respectively. Block 212 obtained from the Ministry of Land and Resources of the People's Republic of China a 15-year valid production permit covering Unit 2, Unit 19 and other areas in Block 212 in May 2017. Each of Block 212 and Block 378 has been subject to an exploration permit which is renewable for a term of two years after expiration. The current exploration permit for Block 212 expired on 3 April 2022 and the application for a renewal is in progress, whereas the exploration permit for Block 378 will expire on 20 February 2026.

In response to the adverse effects of the COVID-19 pandemic and the imbalance of the oil supply and demand, Hongbo Mining has quickly adjusted its production target by actively halting all its drilling activities since 2020. In FY2021, Hongbo Mining carried out maintenance and fracturing work on existing production wells to ensure stable oil production. As of 31 March 2022, all the production wells, reserves and resources estimated by Hongbo Mining were located in Block 212. In light of the current high oil price environment, Hongbo Mining has started drilling wells since April 2022 and has successfully completed 4 new wells as of the date of this final results announcement.

As a result of the absence of new production wells, in FY2021, Hongbo Mining's oil production volume decreased by approximately 9.2% to 285,459 barrels; its gross and net oil sales volume decreased by approximately 10.6% to 285,759 barrels and 228,607 barrels, respectively. However, due to the increase of crude oil price, its gross revenue (equivalent to the net revenue from sale of crude oil plus the 20% crude oil entitlement for Yanchang) and net revenue from sales of crude oil increased by approximately 53.7% to approximately HK$172.9 million and HK$138.3 million, respectively, compared to those for the year ended 31 March 2021 ("**FY2020**").

Due to natural production decline, and to ensure stable oil production against the backdrop of high oil prices, Hongbo Mining carried out maintenance and fracturing work on existing production wells, and as a result, the average unit production cost increased by HK$87 per barrel, or approximately 34.6%, from HK$253 per barrel (equivalent to US$32.6 per barrel) in FY2020 to HK$340 per barrel (equivalent to US$43.7 per barrel) in FY2021. The average unit production cost before depreciation and amortisation increased by HK$46 per barrel, or approximately 45.9%, from HK$102 per barrel (equivalent to US$13.1 per barrel) in FY2020 to HK$148 per barrel (equivalent to US$19.1 per barrel) in FY2021.

The following table provides a recap of Hongbo Mining's key operational metrics and product prices for the periods indicated.

	Year ended 31 March	
	2022	2021
Average daily gross production volume *(barrels)*	**793**	874
Average daily gross sales volume *(barrels)*	**794**	888
Average unit production cost before depreciation and amortisation *(HK$ per barrel)*	**148**	102
Average unit production cost *(HK$ per barrel)*	**340**	253
Average unit selling price *(HK$ per barrel)*	**605**	352

The summary of Hongbo Mining's exploration and development expenditures incurred is as follows:

	Summary of expenditures incurred for the year ended 31 March			
	2022		2021	
	Number	**Cost *(HK$'000)***	Number	Cost *(HK$'000)*
Wells drilled during the year				
Oil producers	**–**	**–**	–	–
Dry holes	**–**	**–**	3	13,321
Total	**–**	**–**	3	13,321
Fracturing workover	**2**	**6,465**	–	–
Geological and geophysical costs	**–**	**822**	–	2,292

Based on the oil and gas reserves as at 31 March 2022 as estimated by independent technical consultants, the net 1P reserves of Hongbo Mining were 6.14 million barrels at stock tank conditions ("**MMstb**") and the net 2P reserves were 10.78 MMstb. Due to the challenges of the macro-economy such as highly volatile prices of oil and gas, the net 1P and 2P reserves decreased by 12.2% and 8.6%, respectively, as compared with those as at 31 March 2021.

The below are the summary and review of the reserves and resources of Hongbo Mining as at 31 March 2022 and 31 March 2021, as conducted by the independent technical consultants, Gaffney, Cline & Associates ("**GCA**"):

	As at 31 March 2022		As at 31 March 2021	
	Gross	**Net**	Gross	Net
	(MMstb)	***(MMstb)***	*(MMstb)*	*(MMstb)*
Proved (1P)	**7.67**	**6.14**	8.74	6.99
Proved + Probable (2P)	**13.48**	**10.78**	14.75	11.80
Proved + Probable + Possible (3P)	**17.20**	**13.76**	18.68	14.94
Contingent resources (1C)	**3.60**	**2.88**	3.92	3.13
Contingent resources (2C)	**8.54**	**6.83**	7.98	6.39
Contingent resources (3C)	**14.21**	**11.37**	12.80	10.24
Prospective resources	**9.7**	**7.76**	9.7	7.76

Note: The reserve estimates and the future net revenue have been prepared in accordance with generally accepted petroleum engineering and evaluation principles set forth in the Standards Pertaining to the Estimating and Auditing of Oil and Gas Reserves Information promulgated by the Society of Petroleum Engineers. Independent technical consultants used standard engineering and geosciences methods or a combination of methods, including performance analysis, volumetric analysis, and analogy, that it considered to be appropriate and necessary to classify, categorize, and estimate volumes in accordance with the 2007 PRMS (the Petroleum Resources Management System published by the Society of Petroleum Engineers, American Association of Petroleum Geologists, World Petroleum Council, and Society of Petroleum Evaluation Engineers in March 2007) definitions and guidelines. These reserve amounts are estimates only and should not be construed as exact quantities.

2.1.2 Stonehold Investment

The Company completed the investment in Stonehold in September 2017.

Stonehold holds certain world-class unconventional shale oil and gas assets (the "**Target Assets**"), covering approximately 30,887 gross acres (10,496 net acres) across Dimmit and La Salle counties in the Eagle Ford region of South Texas of the U.S. The area of the Target Assets is liquid-rich, and the majority of the reserves are crude oil and natural gas liquid. Based on the information provided by Stonehold, the Target Assets consist of 218 producing wells currently, and the total net production and revenue of the Target Assets for the year 2021 were approximately 572,315 boe[*Note*] and US$29.2 million, respectively.

On 14 August 2017 (local time in Houston, Texas, the U.S.), the Company and Think Excel Investments Limited ("**Think Excel**"), a wholly-owned subsidiary of the Company, entered into the credit agreement (the "**Credit Agreement**") with Stonehold, pursuant to which, the Company and Think Excel have conditionally agreed to grant the Term Loan to Stonehold for the purpose of financing the acquisition of the Target Assets and the subsequent operations of such assets by Stonehold. Stonehold is a company wholly owned and solely controlled by Breyer Capital L.L.C. The principal amount of the Term Loan shall not exceed (i) the initial payment with an amount of US$165.0 million (approximately HK$1,291.1 million) on 26 September 2017; (ii) thereafter, US$10 million (approximately HK$78.3 million); and (iii) any guarantee payment made by the Company and Think Excel to Stonehold in respect of the senior debt to be obtained from commercial bank(s). The unpaid principal amount from time to time shall bear interest at the rate of 8% per annum (after the making of or the allocation of any applicable withholding tax), with an additional interest of an amount equal to 92.5% of the remainder of the disposal proceeds received or recovered by Stonehold in respect of disposal of the Target Assets after deducting outstanding principals and interests as well as relevant fees and expenses. The Term Loan shall be payable to the Company and Think Excel in full on the maturity date, which falls 10 years after 26 September 2017.

On the same date of the Credit Agreement, Stonehold entered into an acquisition agreement (the "**Acquisition Agreement**") with Stonegate Production Company, LLC ("**Stonegate**"), pursuant to which, Stonegate has conditionally agreed to sell and Stonehold has conditionally agreed to purchase the Target Assets. All Target Assets are non-operated oil and gas assets of Stonegate (the "**Stonegate Acquisition**").

On 26 September 2017 (local time in Houston, Texas, the U.S.), the initial payment of the Term Loan with an amount of US$165.0 million (approximately HK$1,291.1 million) under the Credit Agreement was released to Stonehold and the acquisition of the Target Assets by Stonehold from Stonegate was consummated in accordance with the terms of the Acquisition Agreement, and a subsequent payment of the Term Loan with an amount of US$5.0 million (approximately HK$39.0 million) has been released to Stonehold on 22 November 2017.

The cumulative production for year 2021 was 348,431 barrels of oil equivalent, the annual average realized oil price was US$67.5/barrel and the Company recorded a loss in the fair value of the Stonehold Investment amounting to US$61 million in FY2021. The loss of fair value change from the Stonehold Investment resulted from the increased uncertainty in the development of shale oil from the burgeoning global promotion of carbon neutralization where the international community is acting decisively to combat climate change and limit global warming. Such acts have, directly and indirectly, promoted and induced the use of natural gas and other alternative renewable energy and consequently reduced the long-term demand for fossil fuels like crude oil and led to the expected low oil price in the long run.

In March 2022, the Group received and accepted a memorandum of understanding from Stonehold and was advised that Stonehold would undertake a process for the sale of Target Assets as soon as reasonably practicable.

On 10 June 2022, Stonehold entered into a purchase and sale agreement with an independent third party buyer (the "**Buyer**"), pursuant to which Stonehold agreed to sell and assign to the Buyer all of its right, title and interest in the underlying assets (the "**Disposal**"). Stonehold shall, pursuant to the terms of the Credit Agreement, start to repay the entire outstanding principal and all accrued but unpaid interest of the Term Loan together with the additional interest, amounting to approximately HK$501.8 million in total, to the Company and Think Excel as soon as reasonably practicable, and in any event by late July 2022. The Disposal is selected at a good timing given the strictening ESG policy resulting in uncertainty of traditional energy operations, and the favourable opportunistic window to realise the investment under the currently higher oil price environment which has been highly volatile. Stonehold has performed duly and diligently in the process of realising the value of the Target Assets under the volatile market environment, which helped achieve a reasonable recovery of the Company's interests in the Stonehold Investment with reference to the challenging and uncertain long-term development prospects.

For details of the Term Loan, the Credit Agreement and the Disposal, please refer to the announcements of the Company dated 15 August 2017, 27 September 2017, 28 February 2018 and 12 June 2022, and the circular of the Company dated 29 September 2017.

Note: The barrel of oil equivalent, an energy unit based on the level of energy released by one barrel of crude oil.

2.2 *Investment regarding LNG business along the value chain*

The Company, through its subsidiaries, has also made other investments in energy related business portfolio and business model in order to capture the energy market opportunities and dynamics.

With the epidemic under control and China's economic recovery, the apparent consumption of natural gas in 2021 reached 372.6 billion cubic meters, representing a year-on-year increase of 12.7%. During the same period, the domestic natural gas volume reached 205.2 billion cubic meters, representing a year-on-year increase of 8.2% only, and the external dependence reached 45%. Therefore, it is necessary to increase imports to meet the growing demand for natural gas. The annual natural gas import volume was 167.5 billion cubic meters, of which 108.9 billion cubic meters of LNG accounted for 65%, and the average price of LNG imports rose sharply compared with that of 2020. The upward pressure on natural gas prices comes from both the supply side and the demand side: on the one hand, the low inventory situation of natural gas since last winter has not been eased, and there exist hurdles for the increase of supply in the short term; on the other hand, the economic recovery of the world's major economies in the post-COVID-19 period brought about an increase in energy demand. The mismatch between the international natural gas supply and demand structure, coupled with geopolitics, has pushed the price of natural gas to continue to fluctuate. The Company's LNG investment portfolio was also affected by rising prices, the performance of which was under pressure.

2.2.1 JOVO Investment

On 28 July 2017, Valuevale, a wholly-owned subsidiary of the Company, completed the subscription of the shares allotted and issued by JOVO, which is principally engaged in clean energy businesses, including importing, processing and sale of LNG and LPG in China, at the consideration of RMB100 million (equivalent to approximately HK$115.2 million).

On 25 May 2021, JOVO successfully completed its IPO and listed its shares on the Shanghai Stock Exchange (stock code: 605090). The Company holds approximately 2.06% of the enlarged share capital in JOVO after its IPO. JOVO has raised approximately RMB2.68 billion from the IPO and plans to utilize the proceeds for purchasing one state-of-the-art midsized LNG vessel and one LPG vessel, and supplementing its working capital in order to further expand its production capacity and improve its profitability.

Subject to the substantial increase in international natural gas prices in 2021, JOVO's LNG procurement costs increased accordingly, resulting in a decrease in JOVO's LNG gross profit margin in the first three quarters. However, there was a steady growth in JOVO's LPG business. According to JOVO's financial accounts, during the year 2021, its operating income was RMB18.5 billion, representing a year-on-year increase of 107%, and the net profit attributable to the parent was RMB620 million, representing a year-on-year decrease of 19.27%; in the first quarter of 2022, its operating income was RMB7 billion, representing a year-on-year increase of 126%, and the net profit attributable to the parent was RMB393 million, representing a year-on-year increase of 40.66%. The performance in 2021 was affected by the considerable fluctuation of international LNG liquid source prices, therefore, JOVO has increased the replenishment of onshore gas resources and continued to create dual gas sources of "sea gas + land-based gas". Following the acquisition of an onshore LNG asset package with a capacity of 600,000 tons/year in 2021 at a consideration of RMB1.8 billion, JOVO acquired 28% equity interest in an LNG liquid plant with a capacity of 300,000 tons/year on 11 April 2022 at a consideration of approximately RMB226 million. JOVO has paid to the Company an interim dividend of RMB1.793 (tax inclusive) for every 10 shares in the first half of 2021, representing a total cash dividend of RMB1.48 million; and a final dividend of RMB2.5 (tax inclusive) for every 10 shares in 2021, representing a total cash dividend of RMB2.29 million, and a capitalization of capital reserve of 4 shares for every 10 shares.

The Company firmly believes that JOVO's business strategy is in line with the trend of a low-carbon economy, and the continuing high demand for natural gas supply in China will keep JOVO growing at a high speed. The investment in JOVO provides a valuable opportunity for the Company to participate in the rapidly growing natural gas market in China with a good prospect of investment return. The completion of the IPO shall drive JOVO to establish a more advanced corporate governance structure, and provide a platform to access more financial resources for its future development. The IPO also provides liquidity to the Company's investment in JOVO, which may help better reflect the market value of the Company's investment in JOVO.

As at 31 March 2022, the closing market price of JOVO was RMB27.94/share, and the Company held 9,160,306 shares in JOVO, the market value of which amounted to RMB255.9 million (equivalent to approximately HK$315.6 million). After the capitalization of capital reserve of 4 shares for every 10 shares on 18 May 2022, the Company holds 12,824,428 shares in JOVO. According to JOVO's announcement dated 25 May 2022 published on the website of the Shanghai Stock Exchange, these shares have been available for trading upon expiry of the lock-up period since 30 May 2022.

2.2.2 Symbio Infrastructure (formerly GNL Quebec) Investment

On 30 November 2017, the Company, through its subsidiary, entered into an agreement of purchase and sale with an investment fund for purchasing its interests in Symbio Infrastructure Investment (formerly known as GNL Quebec Investment) at the purchase price of US$3.15 million (equivalent to approximately HK$24,633,000). On 26 July 2018, the Company made a subsequent investment of US$1 million (equivalent to approximately HK$7,800,000) to support the project's ongoing development. The Company held a minority interest in Symbio Infrastructure as at 31 March 2022.

According to the information provided by Symbio Infrastructure, through its wholly-owned subsidiaries, it has been developing a state-of-the-art and low-carbon-emission LNG exporting terminal (the "**Terminal**") project with a maximum nameplate liquefaction capacity of up to 11 million tons per annum, which has committed to net-zero emissions during the Terminal's construction and operations. Symbio Infrastructure's wholly-owned subsidiary is also developing a 780-km natural gas pipeline (the "**Pipeline**") to connect the Terminal to TC Energy's Canadian Mainline in Eastern Ontario (together the "**Projects**"). The Terminal is designed to receive, liquefy and export up to 1.55 billion standard cubic feet of natural gas per day (equivalent to approximately 15.4 billion cubic meters per year) from gas supply sources in Western Canada and is well-located to deliver cost-competitive LNG to Asia, Europe and South America.

On 21 July 2021, the Quebec Provincial government announced that it would not approve environmental permits for Symbio Infrastructure's Terminal. On 7 February 2022, the Federal government also announced it would not approve the environmental permits for Symbio Infrastructure LP's Terminal. With the current geopolitical context and the energy crisis that Europe is facing, the Company believes that the Projects are still uniquely well-positioned to supply low-cost, low-emission LNG to LNG consumers around the world.

2.2.3 JUSDA Energy Investment

On 25 September 2018, the Company, through one of its wholly-owned subsidiaries, entered into an agreement for a joint venture (the "**JV Agreement**") with JUSDA Supply Chain Management International CO., LTD.* (準時達國際供應鏈管理有限公司) ("**JUSDA**") and the management team, in relation to the formation of JUSDA Energy, to be engaged in LNG logistics services. The Company made contributions of HK$43,937,000 and HK$17,462,200 to JUSDA Energy pursuant to the JV Agreement and the completion of such investments took place on 21 December 2018 and 8 January 2020 respectively. The Company holds 39% equity interest upon completion of all capital contribution in JUSDA Energy.

After several years of steady preparations for the domestic project — Zhoushan project, the construction of key assets such as wharf renovation and yard construction has been completed, and assets such as cranes, tank containers, and ships have also been deployed. After reaching an agreement with clients, JUSDA Energy will start the project within the year 2022. For the overseas project — Japanese transshipment project, JUSDA Energy and the upstream liquid source have completed 2 batches of LNG transshipment volume of nearly 60,000 tons in the past 2 years. More than 90% of the transshipment volume adopts the mode of locking volume and price with upstream and downstream customers, and the remaining part of the transshipment volume is the company's retained trade volume. The third batch of transshipment contracts are currently being negotiated with upstream and downstream, and the shipment is expected to start in the second half of the year.

In addition, relying on the international market resources accumulated by the Company, JUSDA Energy is also identifying the opportunities in the natural gas market of emerging economies, and will replicate its business model in emerging markets as soon as possible. At the same time, JUSDA Energy is also advancing the development of storage yards and storage resources to support its business in emerging markets.

At that time, JUSDA, as the sole logistics chain management platform under Foxconn Technology Group, has a wide container transportation network and strong bargaining power among the industry, which provides strong support to JUSDA Energy in improving its LNG logistics services and reducing relevant cost. JUSDA Energy will rely on its three transshipment and distribution bases in North China, East China and South China to connect overseas spot LNG sources with the domestic market and emerging markets, and gradually build itself into a leading LNG container operator focusing on transshipment of LNG and supported by the price different LNG markets and cycles.

For details of the above transactions, please refer to the Company's voluntary announcements dated 17 July 2017, 31 July 2017, 8 February 2018, 4 June 2018, 13 June 2018, 25 September 2018 and 24 December 2018.

3. *Investment in mobility services business*

3.1 Weipin Investment

On 15 November 2019, Triple Talents Limited ("**Triple Talents**"), a wholly-owned subsidiary of the Company, entered into a series of agreements with Weipin and its affiliates, pursuant to which Triple Talents has agreed to subscribe for certain shares in Weipin. Upon completion of this transaction with a total investment of approximately RMB200 million, the Company effectively holds 35.5% of the equity share of Weipin. Weipin is the holding company of the mobility services platform business. For more details of the Company's investment in Weipin, please refer to the voluntary announcement of the Company dated 25 November 2019.

Prior to 21 June 2021, the Company controlled the majority voting right of the board of directors of Weipin, which was a subsidiary of the Company. On 21 June 2021, the shareholders of Weipin, including the Company, agreed to enter into an amended shareholders' agreement (the "**Agreement**") to, among other things, make adjustments to the structure of the board of Weipin in order to provide the management of Weipin with more flexibility in terms of decision-making over its operations. Pursuant to the Agreement, the Company agrees to lower its number of designated directors from 3 to 2 directors in the board of Weipin (the "**Adjustment**"). After the Adjustment, the total number of board members in Weipin has decreased from a total of 5 members to 4 members. Thus, the Company no longer has the majority voting right of the board of directors in Weipin and any decision-making power over the management and business activities of Weipin. The shareholding percentage held by the Company in Weipin remains unchanged at 35.5%, and Weipin was reclassified as an investment portfolio of the Company. Under the relevant regulatory requirements and accounting standards, the financial statements of Weipin have ceased to be consolidated into the Company's financial statements, and the investment of Weipin is accounted as interest in an associate under the application of the equity method accounting with effect from 21 June 2021. For details, please refer to the announcement of the Company dated 21 June 2021.

Weipin, through its operation subsidiaries (the “**Mobility OPCOs**”), is committed to creating a fast and standardized mobility services system, connecting all participants in the mobility market, tapping into the market flow through the traffic platform in an aggregation mode, and generating synergies by optimizing vehicle energy costs. The aggregation mode has become the current trend of online car-hailing operations in China. The Mobility OPCOs, as transportation service providers, have access to large traffic in the aggregation platform and meet the needs of passengers through division of labor between the upstream and downstream of the industry chain. Under the aggregation mode, the online car-hailing services consist of providers represented by “Didi Chuxing”, which generate online traffic of passengers, and drivers and vehicle providers represented by the Mobility OPCOs, which are responsible for executing the orders of passengers. The Mobility OPCOs rely on a high-quality driver management system and refined operating cost control to ensure that the online car-hailing orders imported through the aggregation traffic platforms are perfectly executed.

The Mobility OPCOs have signed information service cooperation agreements with the major aggregation traffic platforms on the mobility market, including “Didi”, “Baidu” and “Tong Cheng”, etc. The Mobility OPCOs take full advantage of the scale, traffic and reputation of the aggregation traffic platforms on the customer-end, participate in the operation on the business-end in a lightweight asset manner, and complete the orders from passengers with high quality. In the cooperation between the Mobility OPCOs and the aggregation traffic platforms, full fares paid by passengers are collected by the Mobility OPCOs. The aggregation traffic platforms collect a certain percentage of the platform charges from the Mobility OPCOs, and the remaining fares are controlled and allocated by the Mobility OPCOs. The software system of the Mobility OPCOs sets certain operating parameters to automatically calculate the proportion of fares payable to drivers, which include a fixed percentage of drivers’ fees and the rules for determining drivers’ incentives. Drivers can collect their confirmed payment on the driver application run by the Mobility OPCOs one week after an order is completed.

Weipin, through the Mobility OPCOs, is operating in 108 major cities of China, such as Guangzhou, Hangzhou and Suzhou, with a total of over 1 million registered car drivers. Due to the COVID-19 pandemic, the expected revenue and the daily order volume generated from the mobility services have been unable to reach full potential for FY2020. In the second half of 2020, people's enthusiasm for travelling and frequency for using travel services restored significantly, and the demand for online car-hailing services has continued to grow. The daily order volume of Weipin during FY2021 has recovered to about 200,000 orders with a peak volume over 350,000 orders. However, during the first quarter of 2022, there were many cities impacted by the new waves of COVID-19 pandemic and the quarantine rules significantly reduced the demand for inter-city mobility services. The entire industry is experiencing shrinking customer orders and increasing driver turnover rate. The Mobility OPCOs management team is working on expanding new traffic platform partners to secure more orders and adjusting the reward system to achieve better retention rate.

On 2 July 2021, the National Cyber Security Review Office implemented a cyber security review of "Didi Chuxing". During the review period, "Didi Chuxing" suspended new users' registration. On 9 July 2021, due to serious violations of laws and regulations in the collection and use of personal information, the National Internet Information Office required all application stores to remove 25 apps such as "Didi Chuxing". On 16 July 2021, the National Cyberspace Office, together with 7 departments including the Ministry of Public Security, despatched relevant personnel to the office of Didi Chuxing Technology Co., Ltd. to conduct cyber security inspections.

"Didi Chuxing" is the main traffic aggregation platform that Weipin cooperates with. Its suspension of new user registration and application market delisting has directly affected the cooperation between the two parties. At the same time, Weipin's peer traffic service providers have increased subsidies at both ends of the driver and passenger, and strengthened the recruitment of channel companies and individual online ride-hailing drivers for online ride-hailing driver resources, resulting in a decrease in the average daily order volume of Weipin. In order to reduce the impact of the "Didi Chuxing" incident as much as possible, Weipin has taken actions to actively expand cooperation with new traffic platforms. Currently, on top of "Didi Chuxing", "Huaxiaozhu", "Baidu Map", and "Tencent Map", new partners such as "Caocao", "Tongcheng" and "Cloud Travel" have been added.

Use of proceeds from the Foxconn Subscription

On 22 January 2018, the Company received an aggregate subscription price of HK$1,485 million from Foxconn Technology Pte. Ltd., High Tempo International Limited, World Trade Trading Limited, Q-Run Holdings Limited, and Q-Run Far East Corporation (collectively known as the "**Foxconn Subscribers**") and issued to each of the Foxconn Subscribers 297,000,000 subscription shares at the subscription price of HK$1.00 per subscription share totalling 1,485,000,000 subscription shares in accordance with the terms and conditions of the subscription agreement (the "**Foxconn Subscription**").

For details of the Foxconn Subscription, please refer to the announcements of Company dated 13 December 2017 and 22 January 2018 and the circular of the Company dated 23 December 2017.

The gross proceeds from the Foxconn Subscription are HK$1,485 million. The net proceeds from the Foxconn Subscription (the "**Net Proceeds**") (after deducting the expenses incurred in the Foxconn Subscription) are approximately HK$1,483 million.

On 24 June 2020, the Board resolved to change the intended use of unutilized Net Proceeds by allocating the unutilized Net Proceeds of HK$200 million from investment or acquisition of targets in the natural gas industry in China and North America to general working capital as the Company required funds for general working capital purposes.

The following table summarizes the intended use of proceeds and the actual use of proceeds as at 31 March 2022.

	Intended use of Net Proceeds set out in the Circular *HK$'000*	**Intended use of Net Proceeds (after the change as announced on 24 June 2020)** *HK$'000*	**Actual use of Net Proceeds as at 31 March 2022** *HK$'000*	**Unutilized Net Proceeds as at 31 March 2022** *HK$'000*
Investment or acquisition of targets in natural gas industry in China and in North America	1,100,000	900,000	399,000	501,000
Investment in up-stream shale gas and/or shale oil assets or projects overseas	300,000	300,000	–	300,000
Other investments for future development	83,000	83,000	83,000	–
General working capital	–	200,000	98,000	102,000

As at 31 March 2022, an aggregate amount of HK$580 million had been utilized pursuant to the revised intended use, and the unutilized Net Proceeds of HK$903 million are expected to be utilized in accordance with the revised intended use by 31 December 2023. The expected timeline for the revised intended use of unutilized Net Proceeds, which is subject to future adjustments, if required, is based on the best estimation of the Company taking into account, among others, the prevailing and future market conditions and business developments and need.

OUTLOOK

The Company has evaluated and considered that the application of advanced manufacturing will be a major global development trend. On 27 March 2021, Giant Charm, a wholly-owned subsidiary of the Company, entered into an amended and restated limited partnership agreement for its admission as a limited partner into a fund that primarily focuses on the advanced manufacturing sector.

The advanced manufacturing business in cleaning equipment for semiconductor and solar power which focuses on technology and solutions providing high productivity to customers is a key area where the Company now puts efforts and resources. The Company entered into the Manufacturing Agreement on 27 January 2022 with the German Partner, which is a leading enterprise in the global industry of wet processing equipment, to manufacture and supply to the German Partner the selected wet chemical and similar equipment for a term of five years commencing before February 2022. On 4 February 2022, Valuevale, a wholly-owned subsidiary of the Company, entered into the Investment Agreement with Xuzhou High-tech Zone, pursuant to which the Company will set up the Production Base with a registered capital of US$30 million to engage in the construction of the semiconductor cleaning and solar cell equipment production lines. The production lines were put into operation in May 2022 and the first solar cell wet processing equipment was rolled out on 2 June 2022. On 18 April 2022, PDT Shanghai, a wholly-owned subsidiary of the Company, received the PO from the Customer, which is based in Guangdong Province and principally engaged in manufacturing and developing silicon carbide wafers in the automotive grade and industrial control fields, for two units of the Cube Product. The two units are expected to be delivered to the Customer in the fourth quarter of 2022 and 2023, respectively. Moreover, on 13 June 2022 (after trading hours), the Company and Valuevale entered into a sale and purchase agreement with RENA Technologies GmbH to conditionally purchase the entire equity interest of its two China subsidiaries at a consideration of EUR50 million.

The Directors considered that the milestones of the new business demonstrated the capability of the management team led by Dr. Liu, the Chief Executive Officer of the Company, and will maximize the financial return to the shareholders of the Company (the "**Shareholders**"). It is the Company's long term vision to become a leader in this market segment, aiming at building a capacity which will allow the Company and its subsidiaries to obtain significant market share of cleaning equipment in mainland China in the short to middle term and significant market share of the global cleaning equipment and PECVD equipment in the next decade.

In review of the crude oil market, in the short term, the expectation of insufficient supply caused by geopolitical factors will support high oil price. Even if the subsequent Russo-Ukrainian conflict eases, regions and countries such as Europe and the United States will probably continue to implement Russian oil export restrictions. In addition, after the oil price plummeted in 2020, OPEC sharply cut production and reduced capital expenditure, resulting in some countries continuing to increase production lower than the target since the second half of 2021, and production has declined, making it difficult to return to pre-epidemic levels. Although Saudi Arabia, the United Arab Emirates and other countries have the ability to increase production, they have insufficient willingness to increase production. They have repeatedly rejected requests from oil consuming countries to increase production, and have repeatedly stated that they cannot make up for the decline in Russian supply. At the same time, commercial and strategic crude oil inventories in the United States and major OPEC countries are also at historically low levels, and releasing inventories cannot solve the shortage of crude oil supply due to insufficient capital expenditures. Demand has picked up, but it is an irreversible fact that the supply pattern has been disrupted due to the above-mentioned sanctions. The shortage of crude oil supply caused by insufficient capital expenditure is a problem that cannot be solved in the near future. Short-term oil prices will remain high due to the mismatch between supply and demand. Although market expectations are optimistic, from the perspective of production operation, risk control and response to extreme events, the Company will consider further purchasing hedging instruments securing a floor selling price for upstream oil and gas assets. At the same time, the Company will focus on maintaining asset liquidity and increasing future production under the expectation of subsequent short-term high oil prices.

In review of the LNG market, domestic natural gas demand is mainly satisfied by LNG imports, but LNG prices are subject to a mismatch between supply and demand and sanctions, and prices will continue to highly fluctuate. First, the epidemic has had a great impact on global energy supply, while energy demand has gradually recovered. Second, in the context of carbon neutrality, clean energy has become a preference for the international community, the popularization of which, however, entails long-term energy infrastructure construction. Natural gas that can achieve carbon neutrality standards in the short and medium term is favored. Third, the current global shipping capacity is tight, the shipping price has repeatedly hit new highs, the LNG fleet is relatively insufficient, and the supply chain bottleneck is prominent. Fourth, the global supply chain is more dependent on China under the epidemic, and the surge in short-term industrial product demand has led to a rise in energy consumption, including LNG demand, but LNG supply is limited by the infrastructure construction cycle. Fifth, geopolitical tensions prompted Europe to increase LNG purchases in the international market in lieu of part of Russia's natural gas supply. The above factors will support the high cost of LNG procurement, which requires market participants to increase access to domestic onshore LNG liquid sources, balance procurement costs, and use financial tools to hedge the risk of rising costs. In addition, in the case of the opening of the national pipeline network, LNG suppliers such as JOVO are urged to be deeply bound with users such as urban gas and power plants, and tailor-made gas supply services to meet the gas demand of different customers, and effectively through the growth of gas sales to cope with the pressure on performance brought about by rising LNG prices.

In addition, the Company has been closely engaged in the operation and supervision of the mobility services platform. The entire mobility sector has experienced a strong recovery during the second quarter of 2021, with average daily orders (including ridesharing, online taxi orders and chauffeuring services) surpassing 32 million. The market continues to grow in the third quarter reaching the average daily orders of 33-34 million, albeit the regulatory restrictions placed on the market leader “Didi Chuxing”, which has slowed down the growth of “express saver” and “Huaxiaozhu”. Tier 2 ride-hailing players were the key drivers to the development of the market by launching various campaigns and providing customer and driver incentives. Entering the first quarter of 2022, the industry has been negatively impacted by the new waves of COVID-19 pandemic since the quarantine rules in many cities greatly reduced the inter-city mobility demand. The average daily orders (including ridesharing, online taxi orders and chauffeuring services) dropped to 20 million. The Company believes that the industry will be back on the growth track again in the following months when the mobility demand recovers and the competition for compliant drivers will become more intense since the regulator calls for 100% compliance rate. The Company believes third-party platforms who can provide flexible supply solutions like Weipin will benefit from the market competition by enhancing collaborations with tier 1 and tier 2 players.

As we advance, in addition to vigorously developing new businesses, the Company’s top priority will remain to manage the liquidity at the portfolio company level in anticipation of continued uncertainty while pursuing the investment strategy on decarbonization and other green asset opportunities, including but not limited to investments in the advanced manufacturing sector. Meanwhile, the Company shall continue to pay close attention to the market environment to seize more business opportunities and consider exiting its mature investments so as to recognize the profits.

FINANCIAL RESULTS REVIEW

Revenue from sales

Revenue from sales represents the crude oil net sales from Hongbo Mining, a wholly-owned subsidiary of the Company. It increased by HK$48.3 million, or 53.7%, from HK$90.0 million in FY2020 to HK$138.3 million in FY2021.

The increase was mainly due to the comprehensive effect of significant increase in crude oil average selling prices and the decrease of net sales volume. Hongbo Mining's crude oil is priced mainly with reference to Brent crude oil prices. The average Brent crude oil price in FY2021 increased to approximately HK$616 per barrel as compared to approximately HK$344 per barrel in FY2020. The average unit selling price of Hongbo Mining's crude oil increased to approximately HK$605 per barrel in FY2021 from HK$352 per barrel in FY2020, which was consistent with the trend of global oil prices. On the other hand, Hongbo Mining's net sales volume decreased to 228,607 barrels in FY2021 from 255,618 barrels in FY2020, which was mainly due to natural production decline. For further details, please refer to the section headed "Business Review — Hongbo Mining Investment" in this final results announcement.

Cost of sales

Cost of sales represents the cost of sales of crude oil from Hongbo Mining, which increased by HK$17.7 million, or approximately 22.2%, from HK$79.5 million in FY2020 to HK$97.2 million in FY2021. The increase was mainly due to the workover occurred during FY2021 to stabilize the production under the non-drilling approach when facing the unstable crude oil price situation. For further details, please refer to the section headed "Business Review — Hongbo Mining Investment" in this final results announcement.

Investment loss

Investment loss mainly includes the following:

(i) the fair value loss from the Stonehold Investment of HK$362.4 million. The loss of fair value change from the Stonehold Investment was incurred as a result of the increased uncertainty in the development of shale oil from the burgeoning global promotion of carbon neutralization where the international community is acting decisively to combat climate change and limit global warming. Such acts have, directly and indirectly, promoted and induced the use of natural gas and other alternative renewable energy and consequently reduced the long-term demand for fossil fuels like crude oil and caused the expected long-term low oil price;

(ii) the fair value gain from JOVO investment of HK$144.6 million as a result of its IPO;

(iii) the fair value loss from Symbio Infrastructure Investment (formerly known as GNL Quebec investment) of HK$68.3 million resulting from the Quebec provincial government's surprising announcement that it would not approve environmental permits for Symbio Infrastructure's Terminal;

(iv) the share of losses of Weipin as an associate of HK$16.2 million for the period from 22 June 2021 to 31 March 2022; and

(v) the net fair value loss from other investments, share of losses of an associate (other than Weipin), the hedging products and dividend income of a totaling loss of HK$28.1 million.

Administrative expenses

Administrative expenses from continuing operations increased by HK$63.3 million, or approximately 111.1%, from HK$57.0 million in FY2020 to HK$120.3 million in FY2021. The increase mainly resulted from the recovery from the pandemic, which led to the increase in the Company's investment activities, and the corresponding staff costs, travelling expenses and professional service fees increased accordingly. Moreover, the Company granted the Awarded Shares (as defined hereinafter) to its employees during FY2021 and approximately HK$32.9 million was recognized as administrative expenses.

Taxes other than income tax

Taxes other than income tax increased by HK$11.0 million, or approximately 161.7%, from HK$6.8 million in FY2020 to HK$17.8 million in FY2021, which was mainly due to increase in resources tax levied on the sale of crude oil attributable to the revenue increase of Hongbo Mining and Petroleum special profit taxation attributable to the increase of selling price.

Exploration expenses, including dry holes

The exploration expenses decreased by HK$14.8 million, or approximately 94.7%, from HK$15.6 million in FY2020 to HK$0.8 million in FY2021. The significant decrease was mainly due to the written off of three exploration wells in Block 212 that were completed more than one year in previous fiscal years of FY2020. As the three wells could not obtain industrial oil flow due to the current economic and technical conditions, they were deemed to have no industrial production value. The land acquisition compensation and preliminary expenses related to the three wells were transferred to the exploration expenses with the amount of approximately HK$13.3 million.

Impairment loss on trade and other receivables

The Company and its subsidiaries constantly evaluate credit risk for other receivables by taking into account their past history of making payments when due and current ability to pay. The expected credit loss for other receivables amounting to HK$46.4 million which was recognised in FY2021 was mainly related to loan receivable due from a third party.

Net finance income

The Company and its subsidiaries recorded net finance income of HK$5.4 million and HK$3.7 million in FY2020 and FY2021 respectively. The decrease of approximately 31.8% was primarily due to less interest income caused by the lower bank interest rates in FY2021.

Loss before taxation from continuing operations

Loss before taxation from continuing operations increased by HK$115.9 million from a loss of HK$359.2 million in FY2020 to a loss of HK$475.1 million in FY2021, which was primarily due to the cumulative effects of factors as discussed above in this section.

Income tax

Income tax from continuing operations increased significantly by HK$7.7 million, or approximately 3,742.9%, from HK$0.2 million in FY2020 to HK$7.9 million in FY2021. The significant increase was mainly due to the increase in profit generated by Hongbo Mining under the high oil price environment during FY2021.

Loss for the year from continuing operations

Loss for the year from continuing operations increased by HK$123.6 million from a loss of HK$359.4 million in FY2020 to a loss of HK$483.0 million in FY2021 which was primarily due to the cumulative effects of factors as discussed above in this section.

Profit from discontinued operation

Profit from discontinued operation refers to the net profit generated from Weipin for the period between 1 April 2021 and 21 June 2021 (when Weipin ceased to be a subsidiary and became an associate of the Company for accounting purposes), and mainly consists of the following:

(1) the deemed disposal gain recognized on the Deconsolidation Date amounting to HK$91.2 million; and

(2) the loss from the business of Weipin for the period from 1 April to 21 June 2021 amounting to HK$34.3 million.

For more details, please refer to Note 7 to the financial information of this final results announcement.

EBITDA

The management of the Company prepared a reconciliation of EBITDA to profit/loss before taxation, its most directly comparable financial performance measures calculated and presented in accordance with financial reporting standards and interpretations issued by the Hong Kong Institute of Certified Public Accountants. EBITDA refers to earnings before interest expenses, income tax, depreciation and amortisation.

The management of the Company believes that EBITDA is a financial measure commonly used as supplemental financial measures by the management of the Company and by investors, research analysts, bankers and others to assess the operating performance, cash flow, return on capital and the ability to take on financing of the Company and its subsidiaries as compared to those of other companies. However, EBITDA should not be considered in isolation or construed as alternatives to profit from operations or any other measure of performance or as an indicator of the operating performance or profitability of the Company and its subsidiaries. EBITDA fails to account for income tax, interest expenses, depreciation and amortisation.

The following table presents a reconciliation of EBITDA to loss before taxation for the periods indicated.

	Year ended 31 March	
	2022	2021
	HK$'000	*HK$'000*
		(Restated)
Loss before taxation from continuing operations	**(475,100)**	(359,156)
Add: Interest expenses	**4,717**	6,372
Add: Depreciation and amortisation	**59,494**	52,672
EBITDA from continuing operations	**(410,889)**	(300,112)

The EBITDA from continuing operations decreased from a loss of HK$300.1 million in FY2020 to a loss of HK$410.9 million in FY2021. The continuing decrease of EBITDA is primarily attributable to the increase of loss of fair value change from the Stonehold Investment, which was incurred as a result of the increased risk in the development of shale oil from the burgeoning global promotion of carbon neutralization as the international community acts decisively to combat climate change and limit global warming. Such acts have, directly and indirectly, promoted and induced the use of natural gas and other alternative renewable energy and consequently reduced the long-term demand for fossil fuels like crude oil and led to the expected low oil price in the long run.

SEGMENT INFORMATION

The Company and its subsidiaries manage their businesses by divisions, which are organised by a mixture of both business lines (products and services). In a manner consistent with the way in which information is reported internally to the Company's most senior executive management for the purposes of resource allocation and performance assessment, the Company and its subsidiaries have presented two reportable segments. Details of the reportable segments are as follows:

- Oil and gas (formerly known as Global energy investments): this segment constructs and operates upstream oil and gas business, LNG business, and generates income from processing of oil and gas and LNG, as well as investing and managing of energy-related industries and businesses.

- Mobility services business: this segment manages and operates the drivers and vehicles for rendering of online ride-hailing services to the passengers through aggregation traffic platforms and generates income from rendering of mobility services.

For the purposes of its financial statement presentation, the Company lost control over the mobility services business segment on 21 June 2021. The results of the mobility services business segment for the period from 1 April 2021 to 21 June 2021 (when Weipin was a subsidiary of the Company) were classified as discontinued operation accordingly. The discontinued operation has resulted in a change in the Company and its subsidiaries' structure and composition of reporting segments. The comparative figures of segment disclosure have been represented to conform to current year presentation.

	Continuing operations		**Discontinued operation**			
	Oil and Gas		**Mobility services business**		**Total**	
	Year ended 31 March		**Year ended 31 March**		**Year ended 31 March**	
	2022	2021	**2022**	2021	**2022**	2021
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
		(Restated)		*(Restated)*		*(Restated)*
Revenue from sales and services *(Note 1)*	**138,326**	90,008	**751,157**	1,670,507	**889,483**	1,760,515
Investment loss	**(328,640)**	(297,577)	**–**	–	**(328,640)**	(297,577)
Gain on deemed disposal of Weipin	**–**	–	**91,246**	–	**91,246**	–
Reportable segment loss (adjusted EBITDA) *(Note 2)*	**(410,649)**	(299,197)	**68,752**	(14,860)	**(341,897)**	(314,057)
Depreciation and amortisation	**(59,494)**	(52,672)	**(23,998)**	(90,224)	**(83,492)**	(142,896)
Interest income	**5,926**	12,510	**99**	204	**6,025**	12,714
Interest expense	**(4,717)**	(6,372)	**(382)**	(1,064)	**(5,099)**	(7,436)
Impairment loss on trade and other receivables	**(46,445)**	–	**(4,394)**	(13,550)	**(50,839)**	(13,550)
Reportable segment assets	**2,873,106**	3,022,112	**–**	586,058	**2,873,106**	3,608,170
(including interest in an associates)	**290,326**	46,597	**–**	–	**290,326**	46,597
Additions to non-current segment assets during the year	**15,197**	1,949	**13,551**	9,826	**28,748**	11,775
Reportable segment liabilities	**(250,771)**	(260,874)	**–**	(205,205)	**(250,771)**	(466,079)

Note 1: Revenue from sales and services reported above represents reportable segment revenue generated from external customers. There was no inter-segment revenue during current and prior year.

Note 2: The measure used for reporting segment profit/(loss) is "adjusted EBITDA" i.e. "adjusted earnings before interest, taxes, depreciation and amortisation".

For details of segment information of the Company and its subsidiaries, please refer to Note 3(b) to the financial information of this final results announcement.

LIQUIDITY AND FINANCIAL RESOURCES

The Company and its subsidiaries finance their operations primarily through a combination of bank and other borrowings and proceeds from the Foxconn Subscription. For further details of use of proceeds from the Foxconn Subscription, please refer to the section headed "Business Review — Use of proceeds from the Foxconn Subscription" in this final results announcement.

The cash and cash equivalents are mostly denominated in US$, HK$ and RMB. As at 31 March 2022, the Company and its subsidiaries had unpledged cash and bank deposits of HK$929.3 million (31 March 2021: HK$1,022.7 million).

As at 31 March 2022, the Company and its subsidiaries had outstanding loans of HK$7.4 million (31 March 2021: HK$23.7 million).

Save as the information disclosed above or otherwise in this final results announcement, the Company and its subsidiaries had no outstanding mortgage, pledge, debentures or other loan capital issued or agreed to be issued, bank overdrafts, borrowings, liabilities under acceptance or other similar liabilities, hire purchase and finance lease commitments, or any guarantees or other material contingent liabilities as at 31 March 2022.

The Company and its subsidiaries have not used any financial instrument to hedge potential fluctuation in interest rates and exchange rates.

As at 31 March 2022, the gearing ratio (ratio of the sum of total bank and other borrowings to the total assets) was approximately 0.3% (31 March 2021: 1.7%).

MAJOR RISK MANAGEMENT

The market risk exposures of the Company in its energy investment business primarily consist of oil price risk, currency risk, liquidity risk, interest rate risk, credit risk, equity price risk and driver management risk.

Oil price risk

The principal activities of the Company's subsidiaries and invested portfolios in the "oil and gas" segment consist of upstream oil and gas business, LNG liquefaction and exporting, LNG importing, processing and sales, and LNG logistics services. Hongbo Mining, a wholly-owned subsidiary of the Company, is engaged in petroleum-related activities in the PRC. The Company also has the Term Loan granted to Stonehold, which is engaged in petroleum-related activities as well. Prices of crude oil are affected by a wide range of global and domestic political, economic and military factors which are beyond the control of the Company. A decrease in such prices could adversely affect the financial results and financial position of the Company and its subsidiaries.

In FY2021, the Company purchased swaps for part of the nine-month production of Hongbo Mining from July 2022 to March 2023. The swaps have placed the Company in a hedged position, protecting the Company from the risk of decline in the oil price over the stipulated period of time and preserving the value of the assets of Hongbo Mining. As at 31 March 2022, the Company was in possession of such swaps.

Currency risk

The Company and its subsidiaries are exposed to currency risk primarily through overseas investment which gives rise to other receivables and cash balances that are denominated in a foreign currency, i.e., a currency other than the functional currency of the operations to which the transactions relate. The currencies giving rise to this risk are primarily HK$, US$ and RMB.

The Company and its subsidiaries currently do not engage in hedging activities designed or intended to manage foreign exchange rate risk. The Company and its subsidiaries will continue to monitor foreign exchange changes to best preserve the cash value.

Liquidity risk

The Company and its individual operating entities are responsible for their own cash management, including the short-term investment of cash surpluses and the raising of loans to cover expected cash demands, subject to approval by the parent company's board when the borrowings exceed certain predetermined levels of authority. The policy of the Company and its subsidiaries is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and readily realisable marketable securities and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

Interest rate risk

The interest rate risk of the Company and its subsidiaries arises primarily from interest-bearing borrowings. The Company and its subsidiaries regularly review and monitor the mix of fixed and variable rate bank and other borrowings in order to manage the interest rate risks.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company and its subsidiaries. The Company and its subsidiaries' credit risk is primarily attributable to cash at bank and trade and other receivables. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

The Company and its subsidiaries' credit risk arising from cash at bank and derivative financial instruments is limited because the counterparties are state-owned/controlled or listed bank and well-known financial institutions, thus the Directors assessed such credit risk as insignificant.

The Company and its subsidiaries do not provide any guarantees which would expose the Company and its subsidiaries to credit risk.

The Company and its subsidiaries constantly evaluate credit risk for other receivables by taking into account their past history of making payments when due and current ability to pay, and thus the expected credit loss for other receivables amounting to HK$46.4 million which was recognised for FY2021 (FY2020: Nil) was mainly related to loan receivable due from a third party.

Equity price risk

The Company and its subsidiaries were exposed to equity price changes arising from listed securities classified as financial assets at FVTPL. Decisions to buy or sell trading securities were based on daily monitoring of the performance of individual securities compared to that of the index and other industry indicators, as well as the Company and its subsidiaries' liquidity needs.

As at 31 March 2022, the Company and its subsidiaries held the shares in the JOVO investment as listed securities.

Driver management risk in the mobility services platform

Maintaining a team of competitive drivers is a key to the success of the mobility services platform. If Weipin is unable to attract or maintain a critical mass of drivers, its business will become less appealing to business partners, and the financial results of the Company would be adversely affected.

To continue to retain and attract drivers to Weipin's platform, Weipin will increase the drivers' earning by increasing the fixed fees payable to drivers for a given trip and its incentives to drivers. Further, Weipin has indicated that it will continue to provide more resources and access to larger driver pools in the future.

In addition, Weipin will continue to invest in the development of new driver service system that provides additional value for drivers, which differentiates it from its competitors. Specific measures include: (1) Outstanding full-time drivers will be rewarded with the services of exclusive service managers, as well as tea breaks and other services at service stations; (2) Weipin will integrate the resources of the automobile service industry, cooperate with other companies in relevant industries, and provide core drivers with services such as charging, vehicle insurance, vehicle maintenance, and traffic violation handling; and (3) Weipin will select high-performance drivers on a regular basis and reward them with a certificate or a medal, giving them a strong sense of honor and enhancing their loyalty to Weipin's platform.

SIGNIFICANT INVESTMENTS

As at 31 March 2022, the Company and its subsidiary held the Stonehold Investment and the JOVO Investment as financial assets at fair value through profit or loss. Details are as follows:

	As at 31 March				
	2022				2021
Name of the investments	**Investment gain/(loss)**	**Interests received**	**Fair value**	**Approximate percentage to the total assets**	Fair value
	HK$'000	***HK$'000***	***HK$'000***		*HK$'000*
Stonehold Investment	(362,418)	78,740	523,272	18.2%	964,430
JOVO Investment	144,631	–	315,581	11.0%	170,950

For the Stonehold Investment, the Board acknowledges that the performance of the Stonehold Investment may be affected by the degree of volatility in the oil and gas market and is susceptible to other external factors that may affect its values. On 10 June 2022, the Company consented to the realization of the entire assets underlying the Stonehold Investment in view of the current high oil price environment and the active trading window period caused by geopolitics. The Company is expected to receive an aggregated amount of HK$501.8 million from Stonehold upon disposal of the underlying assets.

For the JOVO Investment, the cost for the subscription of the shares of JOVO is RMB100 million and the market capitalisation of such shares as of 27 May 2022 is approximately RMB264.70 million. According to JOVO's announcement dated 25 May 2022 published on the website of the Shanghai Stock Exchange, these shares have been available for trading upon expiry of the lock-up period since 30 May 2022.

Looking forward, the Company expects that the market will remain challenging. The competitive and volatile operating environment around the world will continue to exert pressure on the market. Despite the foregoing, the Company will continue to pursue long-term business and profitability growth in line with its corporate mission and goals. The Board will continue to closely monitor the performance of its investment portfolios. The relevant funds from disposal of the assets are expected to provide liquidity to daily operations of the Company and be conductive to its future development of the advanced manufacturing in the semiconductor and solar power equipment business.

For details of the Stonehold Investment and the JOVO Investment, please refer to the section headed "Business Review — Stonehold Investment" and "Business Review — JOVO Investment" of this final results announcement. Except for the Stonehold Investment and JOVO Investment, as at 31 March 2022, there was no investment held by the Company and its subsidiaries the value of which was more than 5% of the total assets of the Company and its subsidiaries.

MAJOR ACQUISITIONS AND DISPOSALS

Deconsolidation of the Mobility Services Business

Weipin, a mobility sector portfolio company acquired by the Company in November 2019, is principally engaged in the online ride-hailing services business in China. As at the date of this final results announcement, the Company effectively holds 35.5% of the equity share of Weipin. Prior to 21 June 2021, the Company had the majority voting right of the board of directors with all the decision-making power over the activities of Weipin. Therefore, the Company had consolidated the financial statements of Weipin into its financial statements upon completion of the acquisition.

On 21 June 2021, the shareholders of Weipin, including the Company, agreed to enter into the Agreement to, among other things, make adjustments to the structure of the board of Weipin in order to provide the management of Weipin with more flexibility in terms of decision-making over its operations. Pursuant to the Agreement, the Company agrees to lower its number of designated directors from 3 to 2 directors in the board of Weipin. After the Adjustment, the total number of board members in Weipin has decreased from a total of 5 members to 4 members. Thus, the Company no longer has the majority voting right of the board of directors in Weipin and any decision-making power over the management and business activities of Weipin.

The shareholding percentage held by the Company in Weipin remains unchanged at 35.5%, and Weipin was reclassified as an investment portfolio of the Company. Under the relevant regulatory requirements and accounting standards, the financial statements of Weipin have ceased to be consolidated into the Company's financial statements, and the investment in Weipin has then been reclassified as interest in an associate under the application of the equity method accounting since 21 June 2021.

The Financial Impact Due to the Deconsolidation

The Company recorded a profit after taxation from discontinued operation for the period from 1 April 2021 to 21 June 2021 amounting to HK$56.9 million. The profit is mainly attributed from:

(1) the investment gain of HK$91.2 million from deemed disposal recognized on the Deconsolidation Date; and

(2) the loss from the business of Weipin amounting to HK$34.3 million. Comparatively, the Company recorded a loss for the period from 1 April 2020 to 31 March 2021 amounting to HK$77.0 million. The decrease of the loss was mainly due to the difference of the comparable period and the improvement of the operations of Weipin by expansions into more cities.

For more details of the financial results from discontinued operation, please refer to Note 7 to the financial information of this final results announcement.

During FY2021, other than deconsolidation of Weipin, there was no major acquisition or disposal by the Company and its subsidiaries.

CHARGES ON ASSETS OF THE COMPANY AND ITS SUBSIDIARIES

As at 31 March 2022, Hongbo Mining's land, buildings, machinery and equipment amounting to approximately HK$94.4 million had been pledged as the security to secure financing facilities granted to Hongbo Mining (31 March 2021: HK$93.5 million).

CONTINGENT LIABILITIES

So far as known to the Directors, as at 31 March 2022, there had been no litigation, arbitration or claim of material importance in which the Company or its respective subsidiaries was engaged or pending or which as threatened against the Company or its respective subsidiaries.

CAPITAL COMMITMENTS

As at 31 March 2022, the Company and its subsidiaries had the capital commitment of HK$16.9 million (31 March 2021: Nil) contracted but not provided for the acquisition of property, plant and equipment.

DIVIDENDS

The Directors do not recommend the payment of a final dividend for FY2021 (FY2020: Nil).

MANAGEMENT CONTRACT

No contract concerning the management and administration of the whole or any substantial part of the business of the Company was entered into or existed in FY2021.

SHARE AWARD SCHEME

The Company adopted a share award scheme (the "**Share Award Scheme**") on 6 August 2021. The purposes of the Share Award Scheme are (1) to recognise the contributions or the future contributions by certain employees and persons of the Company and its subsidiaries and to provide them with incentives in order to retain them for the continual operation and development of the Company and its subsidiaries, and (2) to attract suitable personnel for further development of the Company and its subsidiaries.

The maximum aggregated number of shares permitted to be awarded under the Share Award Scheme (the "**Awarded Shares**") throughout the 10-year duration of the Share Award Scheme is limited to 4% of the issued share capital of the Company. The maximum number of Awarded Shares which may be awarded to a selected participant under the Share Award Scheme should not exceed 1% of the issued share capital of the Company.

On 7 October 2021, 60,120,000 Awarded Shares, representing 0.87% of the total shares of the Company then in issue, were granted to 10 employees of the Company and its subsidiaries pursuant to the terms of the Share Award Scheme at nil consideration. Among these Awarded Shares granted, (1) 25,050,000 Awarded Shares were vested immediately following the date of grant, which are subject to a lock-up period and will be equally released in five tranches from 2022 to 2026; and (2) the remaining 35,070,000 Awarded Shares shall be vested in five equal tranches immediately following each anniversary of the date of grant from 2022 to 2026. On 14 January 2022, 17,379,000 Awarded Shares, representing 0.25% of the total shares of the Company then in issue, were granted to 15 employees of the Company and its subsidiaries pursuant to the terms of the Share Award Scheme at nil consideration. The 17,379,000 Awarded Shares shall be vested in three equal tranches immediately following each anniversary of the date of grant from 2022 to 2024. The vesting of these Awarded Shares is subject to the satisfaction of vesting conditions specified in the award notice issued to each of the respective grantees. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, none of the grantees is connected with the Company or its connected persons as at the date of grant.

For details of the Share Award Scheme and the grant of Awarded Shares, please refer to the announcements of the Company dated 6 August 2021, 7 October 2021 and 14 January 2022, respectively.

EMPLOYEES

As at 31 March 2022, the Company and its subsidiaries had 101 (31 March 2021: 331) employees in Hong Kong and the PRC. In FY2021, the total staff costs (including the Directors' emoluments) amounted to HK$82.2 million (FY2020: HK$42.9 million). Employees' remuneration package was reviewed periodically and determined with reference to the performance of the individual and the prevailing market practices. Employees' remuneration package includes basic salary, year-end bonus, awarded shares, medical and contributory provident fund.

AUDIT COMMITTEE AND REVIEW OF RESULTS

The audit committee of the Company (the "**Audit Committee**") was established with written terms of reference in compliance with Rule 3.21 of the Listing Rules. The Audit Committee comprises two Independent Non-executive Directors and a Non-executive Director who possess the appropriate business and financial experience and skills to understand financial statements. Mr. Chau Shing Yim David is the chairman of the Audit Committee and the other two members are Mr. Shi Cen and Mr. Lin Dongliang. The Audit Committee has adopted terms of references which are in line with the Corporate Governance Code set out in Appendix 14 to the Listing Rules (the "**CG Code**"). The Audit Committee has reviewed the Company and its subsidiaries' annual results for the year ended 31 March 2022.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SHARES

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed shares in FY2021.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company is committed to achieving high standards of corporate governance and has always recognised the importance of accountability, transparency and protection of Shareholders' interest in general. The Company has adopted the code provisions of the CG Code as its own corporate governance policy, subject to amendments from time to time.

In the opinion of the Board, the Company had complied with all applicable code provisions of the CG Code throughout FY2021, except for the code provision C.2.1 (previous code provision A.2.1), which stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. During FY2021, Mr. Wang Jingbo was both the chairman of the Board and the Chief Executive Officer of the Company. The Board was of the opinion that such arrangement did not result in undue concentration of power and was conducive to the efficient formulation and implementation of the Company's strategies thus allowing the Company to develop its business more effectively. As a commitment to retain high level of corporate governance and continuous efforts to comply with the Listing Rules, on 13 May 2022, Dr. Liu was appointed as the Chief Executive Officer of the Company, and Mr. Wang Jingbo ceased to act as the Chief Executive Officer of the Company. Therefore, the Company has complied with code provision C.2.1 of the CG Code since 13 May 2022.

SCOPE OF WORK OF INDEPENDENT AUDITOR

The financial figures in respect of the Company and its subsidiaries' consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 March 2022 as set out in this final results announcement have been compared and agreed by the Company's auditor, KPMG, Public Interest Entity Auditor registered in accordance with Financial Reporting Council Ordinance, to the amounts set out in the Company and its subsidiaries' audited consolidated financial statements for the year ended 31 March 2022. The work performed by KPMG in this respect did not constitute an audit, review or other 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 KPMG on this final results announcement.

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 to the Listing Rules to regulate the Directors' securities transactions.

Having made specific enquiries by the Company, all Directors have confirmed that they have complied with the required standard set out in the Model Code throughout FY2021.

SUBSEQUENT EVENTS AFTER THE REPORTING PERIOD

Change of Chief Executive Officer

With effect from 13 May 2022, Mr. Wang Jingbo ceased to be the Chief Executive Officer but remains as an executive Director and Chairman of the Company; and Dr. Liu Erzhuang has been appointed as the Chief Executive Officer.

For details, please refer to the announcement of the Company dated 13 May 2022.

Update on Stonehold Investment

On 10 June 2022 (after trading hours), Stonehold entered into a purchase and sale agreement with an independent buyer (the "**Buyer**"), pursuant to which Stonehold agreed to sell and assign to the Buyer all of its right, title and interest in the underlying assets (the "**Disposal**"). Completion of the Disposal is expected to take place in late July 2022. Stonehold shall, pursuant to the terms of the Credit Agreement, start to repay the entire outstanding principal and all accrued but unpaid interest of the Term Loan together with the additional interest, which is expected to amount to approximately HK$501.8 million in total, to the Company and Think Excel as soon as reasonably practicable, and in any event within three business days from the completion date of the Disposal. The actual gain or loss from the Disposal will depend on revaluation of the book value of the Stonehold Investment prior to the completion of the Disposal, and the actual amount to be received by the Company and Think Excel, which will be disclosed in the interim or annual report to be published by the Company in the future.

For details, please refer to the announcement of the Company dated 12 June 2022.

Acquisition of Solar Companies

On 13 June 2022, the Company and Valuevale (the "**Purchaser**") entered into a sale and purchase agreement with RENA Technologies GmbH (the "**Seller**"), pursuant to which the Purchaser has conditionally agreed to purchase, and the Seller has conditionally agreed to sell the entire equity interest in Shanghai Rena Trading Co., Ltd.* (上海瑞耐貿易有限責任公司) and Rena Solar Technologies (Yiwu) Co., Ltd.* (瑞納太陽能科技(義烏)有限公司) at a consideration of EUR50 million (equivalent to approximately HK$412.08 million) (the "**Proposed Acquisition**").

The Board is of the view that the Proposed Acquisition will benefit the Company from the areas as below:

(a) The Proposed Acquisition will significantly expedite the development of the Company's business segment of solar cell equipment. The intellectual property rights under the licensing agreement comprise leading technologies of manufacturing high-throughput cleaning equipment and copper plating equipment which are in great demands in the PRC market. Leveraging the resources of the Shareholders, the existing customer base of the Company will continue to be expanded and provide a solid ground for future growth;

(b) By using the Company's existing production facilities and workforces in Xuzhou and with the onsite supports from the engineers of the Seller, the profitability of the solar business in China is expected to be improved in the short term. It is expected to be further improved after the localization of the supply chains in the middle term and this will provide great competitive advantages to the Company's business segment of solar cell equipment; and

(c) The advanced know-hows contained in the solar business in China may also facilitate the Company to establish a productive management system which benefit the business segments of both solar power equipment and semiconductor equipment as a whole.

For details, please refer to the announcement of the Company dated 13 June 2022.

Proposed Change of Company Name

On 22 June 2022, the special resolution was duly passed by the Shareholders at the special general meeting to approve the proposed change of the English name of the Company from "IDG Energy Investment Limited" to "Productive Technologies Company Limited" and the adoption of the Chinese name "普達特科技有限公司" for identification purpose only in replacement of "IDG能源投資有限公司" which was previously adopted for identification purpose only (the "**Proposed Change of Company Name**").

The Proposed Change of Company Name is subject to the approval of the Registrar of Companies in Bermuda.

For details, please refer to the announcements of the Company dated 25 May 2022 and 22 June 2022, and the circular of the Company dated 2 June 2022.

Except for as disclosed above and elsewhere in this final results announcement, there are no important events affecting the Company and its subsidiaries after 31 March 2022 and up to the publication date of the final results announcement.

PUBLICATION OF FINAL RESULTS AND ANNUAL REPORT

This announcement is published on the website of the Stock Exchange at www.hkexnews.hk and the Company's website at www.idgenergyinv.com.

The annual report of the Company for FY2021 containing all the information required by Appendix 16 to the Listing Rules will be despatched to the Shareholders and published on the websites of the Stock Exchange and the Company in due course.

By Order of the Board
IDG Energy Investment Limited
WANG Jingbo
Chairman

Hong Kong, 29 June 2022

As at the date hereof, the Board comprises seven Directors, of whom two are executive Directors, namely Mr. Wang Jingbo (Chairman) and Mr. Liu Zhihai; two are non-executive Directors, namely Mr. Lin Dongliang and Mr. Shong Hugo; and three are independent non-executive Directors, namely Ms. Ge Aiji, Mr. Shi Cen, and Mr. Chau Shing Yim David.

* *For identification purpose only*