ENERGY INTERNATIONAL INVESTMENTS HOLDINGS LIMITED
能 源 國 際 投 資 控 股 有 限 公 司 *

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 353)

ANNOUNCEMENT OF UNAUDITED RESULTS FOR THE YEAR ENDED 31 MARCH 2022

The board (the "**Board**") of directors (the "**Directors**") of Energy International Investments Holdings Limited (the "**Company**") set forth below the unaudited consolidated annual results (the "**Unaudited Results**") of the Company and its subsidiaries (together referred to as the "**Group**") for the year ended 31 March 2022 together with comparative figures for the fifteen months period ended 31 March 2021.

CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2022

	Notes	**Year ended 31 March 2022** ***HK$'000*** **(Unaudited)**	Fifteen months ended 31 March 2021 *HK$'000* (Audited)
Revenue	*4*	**520,579**	193,148
Cost of sales and service rendered		**(355,566)**	(3,164)
Gross profit		**165,013**	189,984
Interest revenue	*5(a)*	**8,957**	23,704
Other income and other (losses)/gains, net	*5(b)*	**(29,264)**	(38,806)
Selling and distribution expenses		**(14,657)**	(8,099)
Administrative expenses		**(39,725)**	(55,518)
Fair value gain on investment properties		**8,986**	33,600
Loss on early redemption of promissory notes		**–**	(1,788)
Finance costs	*7*	**(25,531)**	(47,495)

* *For identification purpose only*

	Notes	Year ended 31 March 2022 HK$'000 (Unaudited)	Fifteen months ended 31 March 2021 HK$'000 (Audited)
Profit before income tax		**73,779**	95,582
Income tax expenses	*8*	**(31,843)**	(36,723)
Profit for the year/period	*9*	**41,936**	58,859
Attributable to:			
– Owners of the Company		**12,762**	6,726
– Non-controlling interests		**29,174**	52,133
		41,936	58,859
Earnings per share	*11*		
– Basic and diluted *(HK cent per share)*		**0.18**	0.09

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2022

	Year ended 31 March 2022 HK$'000 (Unaudited)	Fifteen months ended 31 March 2021 HK$'000 (Audited)
Profit for the year/period	**41,936**	58,859
Other comprehensive income/(expenses), net of tax		
Item that may be reclassified subsequently to profit or loss:		
Exchange differences on translating of financial statements of foreign operations	**51,162**	56,801
Item that will not be reclassified to profit or loss:		
Fair value changes of equity instruments at fair value through other comprehensive income	**(18,522)**	(3,648)
Other comprehensive income for the year/period, net of tax	**32,640**	53,153
Total comprehensive income for the year/period	**74,576**	112,012
Attributable to:		
– Owners of the Company	**37,192**	50,268
– Non-controlling interests	**37,384**	61,744
	74,576	112,012

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2022

	Notes	2022 HK$'000 (Unaudited)	2021 HK$'000 (Audited)
Non-current assets			
Property, plant and equipment		**1,002**	1,715
Right-of-use assets		**8,556**	6,850
Investment properties	*12*	**1,666,170**	1,574,454
Goodwill		**–**	–
Investment in an associate		**–**	–
Equity instruments at fair value through other comprehensive income		**203,890**	222,412
Deposits and other receivables		**104,279**	27,134
		1,983,897	1,832,565
Current assets			
Trade and bills receivables	*13*	**156,869**	15,981
Amount due from an associate		**–**	2,368
Prepayments, deposits and other receivables		**126,778**	176,529
Loan receivables		**3,099**	209,844
Financial assets at fair value through profit or loss		**20,712**	13,166
Cash and bank balances		**57,915**	13,680
		365,373	431,568
Current liabilities			
Trade and other payables	*14*	**76,503**	159,470
Bank borrowings		**276,461**	155,079
Other borrowings		**1,828**	12,317
Lease liabilities		**4,496**	3,109
Promissory notes		**137,269**	12,279
Tax payables		**4,167**	–
		500,724	342,254
Net current (liabilities)/assets		**(135,351)**	89,314
Total assets less current liabilities		**1,848,546**	1,921,879

	Notes	2022 HK$'000 (Unaudited)	2021 HK$'000 (Audited)
Non-current liabilities			
Amounts due to non-controlling shareholders		**–**	120,541
Bank borrowings		**22,216**	21,308
Other borrowings		**10,652**	10,652
Preferred shares		**387,539**	333,832
Lease liabilities		**6,777**	6,105
Promissory notes		**–**	117,123
Deferred tax liabilities		**181,494**	146,989
		608,678	756,550
Net assets		**1,239,868**	1,165,329
Capital and reserves			
Share capital		**720,563**	720,563
Reserves		**181,385**	144,234
Equity attributable to owners of the Company		**901,948**	864,797
Non-controlling interests		**337,920**	300,532
Total equity		**1,239,868**	1,165,329

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

1. GENERAL INFORMATION

The Company is a limited liability company incorporated and domiciled in the Cayman Islands. Its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and its principal place of business is Units 4307-08, Office Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong. The Company's shares are listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

During the year, the principal activities of the Group include:

– Oil and liquefied chemical terminal representing the businesses of leasing of oil and liquefied chemical terminal, together with its storage and logistics facilities (the "**Port and Storage Facilities**"), and provision of agency service and trading of oil and liquefied chemical products; and

– Insurance brokerage service representing the business of providing insurance brokerage service.

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

These unaudited financial statements are presented in Hong Kong dollars ("**HK$**"), which is also the functional currency of the Company and all values are rounded to the nearest thousand ("**HK$'000**") unless otherwise stated.

2. APPLICATION OF AMENDMENTS TO HKFRSs

In the current year, the Group has applied the following amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the annual periods beginning on or after 1 April 2021 for the preparation of the consolidated financial statements.:

Amendment to HKFRS 16	Covid-19 – Related Rent Concessions
Amendments 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

The application of the amendments to HKFRSs in the current year has no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these consolidated financial statements. The Group has not applied any new and amendments to HKFRSs that have been issued but not yet effective for the current accounting period.

3. BASIS OF PREPARATION

Significant accounting policies that have been used in the preparation of these unaudited financial statements are summarised below. These policies have been consistently applied to all the years presented unless otherwise stated.

The unaudited financial statements have been prepared under historical cost convention, except for investment properties, equity instruments at fair value through other comprehensive income, financial assets at fair value through profit or loss (the "**FVTPL**"), preferred shares and conditional promissory notes, which are measured at fair value.

(a) Change of financial year end date

Pursuant to a resolution passed by the Directors dated 30 December 2020, the Company's financial year end date has been changed from 31 December to 31 March. Accordingly, the current unaudited financial statements cover a financial year from 1 April 2021 to 31 March 2022. The comparative figures (which covered the financial period from 1 January 2020 to 31 March 2021) for the consolidated income statements, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows and related notes are not comparable with those of the current year.

(b) Loss of controls over assets of Qinghai Forest Source Mining Industry Developing Company Limited ("QHFSMI") and Inner Mongolia Forest Source Mining Industry Developing Company Limited ("IMFSMI") and de-consolidating QHFSMI and IMFSMI

Ms. Leung Lai Ching ("Ms. Leung")'s legal status as director and legal representative in QHFSMI and IMFSMI remained unchanged in the absence of her cooperation

Ms. Leung was a director and legal representative of both QHFSMI and IMFSMI. In September 2009, the sole shareholder of QHFSMI and IMFSMI (i.e. a wholly-owned subsidiary of the Company) resolved to remove Ms. Leung's capacity as director and legal representative of both QHFSMI and IMFSMI with immediate effect. However, the respective members of the board of directors and legal representative of QHFSMI and IMFSMI were not officially changed up to the date of this announcement as Ms. Leung, being the legal representative, was not cooperative and failed to provide the requested documents and corporate seals.

Transfer of exploration licence without the Company's knowledge, consent or approval

The Group acquired QHFSMI from Ms. Leung in 2007. QHFSMI was the holder of an exploration licence, which conferred QHFSMI the rights to conduct exploration work for the mineral resources in the titanium mine at Xiao Hong Shan in Inner Mongolia, the People's Republic of China (the "**PRC**"). In 2010, the Board discovered that the exploration licence held by QHFSMI was transferred to a company known as 內蒙古小紅山源森礦業有限公司(in English, for identification purpose only, Inner Mongolia Xiao Hong Shan Yuen Xian Mining Industry Company Limited) ("**Yuen Xian Company**") at a consideration of RMB8,000,000 (the "**Change of Exploration Right Agreement**") without the Company's acknowledgment, consent or approval. Ms. Leung is one of the directors and the legal representative of Yuen Xian Company. Without the exploration licence, QHFSMI no longer had the rights to, among other things, carry out exploration of the mineral resources of the titanium mine, access to the titanium mine and neighbouring areas and has no priority in obtaining the mining rights of the titanium mine.

Final decision on the Change of Exploration Right Agreement

As soon as the Group had discovered the loss of QHFSMI's exploration licence, the Group commenced the legal proceedings against Ms. Leung for getting back the exploration licence. In March 2016, the Company received the final decision letter from the Qinghai Procuratorate that the Change of Exploration Right Agreement was invalid. As Yuen Xian Company had already obtained the mining licence on the titanium mine at Xiao Hong Shan in Inner Mongolia, the PRC, the Group is now seeking for the legal advices to resolve this matter.

De-consolidating QHFSMI and IMFSMI

Given that (i) the discovery of the loss of significant assets of QHFSMI; (ii) Ms. Leung's legal status as director and legal representative in QHFSMI and IMFSMI remained unchanged; and (iii) the Group was unable to obtain the financial information of QHFSMI and IMFSMI, the Directors considered that the Group had no power over QHFSMI and IMFSMI, exposure, or rights, to variable returns from QHFSMI and IMFSMI and the ability to use its power to affect those variable returns. The Group appointed the PRC lawyers to handle the matters in regaining its controlling power over QHFSMI and IMFSMI. In the opinion of the Directors, the aforesaid legal proceedings have no material impact on the financial position and operations of the Group as the Group is still in the process of regaining the controlling power over QHFSMI and IMFSMI which had already been de-consolidated since 2010.

(c) Going concern basis

As at 31 March 2022, the Group's current liabilities exceeded its current assets by RMB135,351,000, indicating the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. If the Company cannot continue as a going concern, it may be unable to realise its assets and discharge its liabilities in the normal course of business. That having said, the Directors are of the opinion that the Group will have sufficient working capital to meet its financial obligations as and when they fall due for the next twelve months from 31 March 2022 after taking into consideration of the following factors:

i) As at 31 March 2022, the Group was granted certain banking facilities by banks in the PRC with the aggregate amount of RMB528,000,000 (equivalent to HK$651,658,000), including untilised banking facilities of RMB286,000,000 (equivalent to HK$352,981,000) available for the Group's future use.

ii) As at 31 March 2022, the Group's bank borrowings of HK$276,461,000 were classified as current liabilities only because the loan agreements contain repayable-on-demand clauses exercisable by the banks. The contractual repayment terms of the loan agreements were in fact over one year.

iii) As disclosed in note 15 to this announcement, the Group has received the First Installment Payment (as defined in note 15) from the vendor on 27 June 2022. Furthermore, the vendor surrendered the promissory notes on 17 June 2022, involving current liabilities in the amount of approximately HK$126,013,000 being released subsequent to 31 March 2022.

Accordingly, the Directors are of the opinion that it is appropriate to prepare the unaudited consolidated financial statements on a going concern basis.

4. REVENUE

	Year ended 31 March 2022 *HK$'000* (Unaudited)	Fifteen months ended 31 March 2021 *HK$'000* (Audited)
Revenue from contracts with customers within the scope of HKFRS 15 at a point in time:		
Disaggregated by major products or service lines		
– Agency income from insurance brokerage service	**11**	14
– Agency income from trading of oil and liquefied chemical products	**3,091**	526
– Sale of oil and liquefied chemical products	**361,187**	–
	364,289	540
Revenue from other sources:		
Rental income from investment properties	**156,290**	192,608
Total revenue	**520,579**	193,148
Geographical markets:		
– the PRC	**520,568**	193,134
– Hong Kong	**11**	14
	520,579	193,148

5. INTEREST REVENUE AND OTHER INCOME AND OTHER (LOSSES)/GAINS, NET

(a) Interest revenue

	Year ended 31 March 2022 HK$'000 (Unaudited)	Fifteen months ended 31 March 2021 HK$'000 (Audited)
Bank interest income	**102**	93
Loan interest income	**8,855**	9,814
Other interest income	**–**	13,797
	8,957	23,704

(b) Other income and other (losses)/gains, net

	Year ended 31 March 2022 HK$'000 (Unaudited)	Fifteen months ended 31 March 2021 HK$'000 (Audited)
Exchange gain, net	**407**	215
Fair value gain/(loss) on financial assets at FVTPL	**7,973**	(15,005)
Fair value loss on preferred shares	**(38,800)**	(13,655)
Impairment loss under expected credit loss model on trade receivables	**(8,632)**	–
Reversal of impairment loss/(impairment loss) under expected credit loss model on deposit, other receivables and loan receivables	**1,325**	(6,962)
Fair value loss on promissory notes	**(3,236)**	(5,139)
Loss on disposal of property, plant and equipment	**–**	(445)
Rental income from sub-letting of leased assets	**164**	132
Government grants	**–**	366
Service income	**1,760**	1,085
Sundry income	**253**	602
Written back of provision for expenses	**9,522**	–
	(29,264)	(38,806)

6. SEGMENT INFORMATION

The Group manages its businesses by divisions, which are organised by a mixture of both business lines (products and services) and geographical delineation. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management, being the Directors, for the purposes of resource allocation and performance assessment, the Group has presented the following two reportable segments. No operating segments have been aggregated to form the following reportable segments.

– the Oil and Liquefied Chemical Terminal segment represents the businesses of the leasing of the Port and Storage Facilities located in Shandong Province, the PRC and owned by Shandong Shundong Port Services Company Limited ("**Shundong Port**"), an indirect non-wholly owned subsidiary of the Company, and provision of agency services and trading of oil and liquefied chemical products; and

– the Insurance Brokerage Service segment represents the business of providing insurance brokerage service in Hong Kong.

Customers from Oil and Liquefied Chemical Terminal segment are located in the PRC (place of domicile) whereas customers from insurance brokerage service segment are located in Hong Kong. Geographical location of customers is based on the location at which the goods are delivered and the contracts are negotiated and entered into with the customers. No geographical location of non-current assets is presented as substantial non-current assets are physically based in the PRC.

Information about reportable segment profit or loss, assets and liabilities:

	Oil and Liquefied Chemical Terminal *HK$'000*	**Insurance Brokerage Service** *HK$'000*	**Total** *HK$'000*
For year ended 31 March 2022 (Unaudited)			
Revenue from external customers	**520,568**	**11**	**520,579**
Reportable segment profit/(loss)	**107,694**	**(432)**	**107,262**
Interest revenue	**1,417**	**–**	**1,417**
Depreciation of property, plant and equipment	**(590)**	**–**	**(590)**
Depreciation of right-of-use assets	**(80)**	**–**	**(80)**
Fair value gain of investment properties	**8,986**	**–**	**8,986**
Fair value loss on preferred shares	**(38,800)**	**–**	**(38,800)**
Interest expense on:			
– bank and other borrowings	**(8,909)**	**–**	**(8,909)**
– amounts due to non-controlling shareholders	**(8,400)**	**–**	**(8,400)**
– lease liabilities	**(7)**	**–**	**(7)**
	(17,316)		**(17,316)**
Impairment loss on trade receivables	**(8,632)**	**–**	**(8,632)**
Income tax expenses	**(27,750)**	**–**	**(27,750)**
Written back of provision for expenses	**9,522**	**–**	**9,522**
As at 31 March 2022 (Unaudited)			
Segment assets	**1,993,478**	**450**	**1,993,928**
Additions to segment non-current assets during the year	**22,828**	**–**	**22,828**
Segment liabilities	**(924,589)**	**(2)**	**(924,591)**

	Oil and Liquefied Chemical Terminal *HK$'000*	Insurance Brokerage Service *HK$'000*	Total *HK$'000*
For the fifteen months ended 31 March 2021 (Audited)			
Revenue from external customers	193,134	14	193,148
Reportable segment profit/(loss)	183,074	(535)	182,539
Interest revenue	1,469	–	1,469
Depreciation of property, plant and equipment	(790)	(5)	(795)
Depreciation of right-of-use assets	(506)	(27)	(533)
Fair value gain of investment properties	33,600	–	33,600
Fair value loss on preferred shares	(13,655)	–	(13,655)
Interest expense on:			
– bank and other borrowings	(30,514)	–	(30,514)
– amounts due to non-controlling shareholders	(5,410)	–	(5,410)
– lease liabilities	(98)	–	(98)
	(36,022)		(36,022)
Income tax expenses	(36,723)	–	(36,723)
As at 31 March 2021 (Audited)			
Segment assets	1,740,184	332	1,740,516
Additions to segment non-current assets during the period	12,641	–	12,641
Segment liabilities	(930,271)	(2)	(930,273)

Reconciliations of reportable segment revenue and profit or loss

Revenue

There was no inter-segment sale and transfer during the year ended 31 March 2022 and the fifteen months ended 31 March 2021.

No reconciliation of reportable and operating segment revenue is provided as the total revenue for reportable and operating segments is the same as Group's consolidated revenue.

Revenue from major customers:

	Year ended 31 March 2022 HK$'000 (Unaudited)	Fifteen months ended 31 March 2021 HK$'000 (Audited)
Customer A (derived from Oil and Liquefied Chemical Terminal segment)	**156,290**	192,608
Customer B (derived from Oil and Liquefied Chemical Terminal segment)	**355,404**	–
	511,694	192,608

7. FINANCE COSTS

	Year ended 31 March 2022 HK$'000 (Unaudited)	Fifteen months ended 31 March 2021 HK$'000 (Audited)
Effective interest on convertible bonds	**–**	719
Interest on bank and other borrowings	**9,731**	34,821
Interest on promissory notes	**6,902**	6,002
Interest on amounts due to non-controlling shareholders	**8,400**	5,410
Interest on lease liabilities	**498**	543
Interest expense on financial liabilities not at FVTPL	**25,531**	47,495

8. INCOME TAX EXPENSES

	Year ended 31 March 2022 *HK$'000* **(Unaudited)**	Fifteen months ended 31 March 2021 *HK$'000* (Audited)
Current tax		
– PRC EIT	**4,093**	–
Deferred tax – PRC		
– Current year/period	**27,750**	36,723
Income tax expenses	**31,843**	36,723

No provision for Hong Kong Profits Tax is required since the Group has no assessable profit for the year ended 31 March 2022 and the fifteen months ended 31 March 2021.

Pursuant to rules and regulations of the Cayman Islands, the British Virgin Islands ("**BVI**") and Independent State of Samoa ("**Samoa**"), the Group is not subject to any income tax in the Cayman Islands, BVI and Samoa.

Under the Enterprise Income Tax ("**EIT**") Law of the PRC (the "**EIT Law**") and Regulation Implementation of the EIT Law, the tax rate of the PRC subsidiaries of the Group is 25% for the year ended 31 March 2022 and for the fifteen months ended 31 March 2021.

Pursuant to the PRC Corporate Income Tax Law, PRC Value-added Tax Law and other related regulations, non-PRC resident enterprises are levied withholding tax at 10%, 6% and various tax rate (unless reduced by tax treaties/arrangements) respectively on interest receivable from PRC enterprises for income earned since 1 January 2008. The Group has adopted withholding tax rate of 10%, 6% and various tax rate on corporate income tax, value-added tax and other taxes for PRC withholding tax purpose during the year ended 31 March 2022 and for the fifteen months ended 31 March 2021.

9. PROFIT FOR THE YEAR/PERIOD

The Group's profit for the year/period is stated at after charging/(crediting) the following:

	Year ended 31 March 2022 *HK$'000* **(Unaudited)**	Fifteen months ended 31 March 2021 *HK$'000* (Audited)
Carrying amount of inventories sold	**353,328**	–
Depreciation of property, plant and equipment	**1,398**	2,294
Depreciation of right-of-use assets	**4,982**	7,381
Gross rental income from investment properties	**(156,290)**	(192,608)
Direct operating expenses arising from investment properties that generated rental income	**3,540**	8,099
Exchange gain, net	**(407)**	(215)
Expenses relating to short-term leases	**334**	796
Staff costs (including Directors' emoluments):		
Salaries, bonuses and allowance	**16,353**	17,062
Retirement benefit scheme contributions	**930**	749
	17,283	17,811

10. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company during the year ended 31 March 2022, nor has any dividend been proposed since the end of the reporting period (for the fifteen months period ended 31 March 2021: Nil).

11. EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the following profit attributable to owners of the Company and weighted average number of ordinary shares outstanding.

	Year ended 31 March 2022	Fifteen months ended 31 March 2021
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Profit for the year/period attributable to owners of the Company	**12,762**	6,726
Number of shares	***'000***	*'000*
Weighted average number of ordinary shares for the purpose of basic earnings per share	**7,205,629**	7,205,629

(b) Diluted earnings per share

Diluted earnings per share for the year ended 31 March 2022 and for the fifteen months ended 31 March 2021 were the same as the basic earnings per share, as the Company has no potential dilutive ordinary shares in existence throughout the year/period.

12. INVESTMENT PROPERTIES

	2022	2021
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Fair value		
At beginning of year/period	**1,574,454**	1,441,575
Additions	**15,264**	11,916
Fair value adjustment	**8,986**	33,600
Exchange adjustment	**67,466**	87,363
At end of year/period	**1,666,170**	1,574,454

The investment properties held by the Group represents the Port and Storage Facilities located in Shandong Province, the PRC.

13. TRADE AND BILLS RECEIVABLES

The Group normally allows a credit period up to 90 days to its established customers. Each customer has a maximum credit limit. For certain customers with good past repayment history, a longer credit period may be granted. Trade receivables are non-interest bearing. All of the trade receivables are expected to be recovered within one year.

As at the end of the reporting period, the ageing analysis of trade and bills receivables based on the invoice date and net of loss allowance, is as follow:

	2022	2021
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
0 – 90 days	**104,078**	15,981
91 – 180 days	**61,577**	–
	165,655	15,981
Less: loss allowance	**(8,786)**	–
	156.869	15,981

At 31 March 2022 and 2021, the Group did not hold any collateral over these balances.

14. TRADE AND OTHER PAYABLES

Included in trade and other payables are trade payables of HK$12,773,000 (2021: Nil) and an aged analysis based on the invoice date at the end of the reporting period, is as follows:

	2022	2021
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
0 – 90 days	**12,773**	–

15. EVENTS AFTER REPORTING DATE

(a) Subsequent to the reporting date, the Group has entered into the termination agreement (the "**Termination Agreement**") with an equity holder of Shundong Port (the "**2021 Vendor**") to mutually agree to terminate the acquisition agreement (the "**2021 Acquisition Agreement**") dated 22 June 2021 in relation to the acquisition by the Group from the 2021 Vendor of 9.92% registered capital of Shundong Port (the "**Relevant Shares**"). The Relevant Shares carry a 8% per-annum fixed rate dividend (the "**Fixed Rate Dividend**") payable by Shundong Port calculated by reference to the original issue price of the Relevant Shares, subject to the availability and sufficiency of the reserve of accumulated distributable profit of Shundong Port. Pursuant to the Termination Agreement, the 2021 Acquisition Agreement shall be rescinded, and the consideration in the amount of RMB82,000,000 shall be fully repaid on or before 19 July 2022, and any Fixed Rate Dividend payable by Shundong Port on the Relevant Shares attributable to the period from 20 July 2021 to 19 July 2022 shall belong to the Group. Details of the Termination Agreement are set out in the Company's announcement dated 17 June 2022. The Termination Agreement has taken effect upon its signing on 17 June 2022.

(b) On 24 June 2022, Mid-Ocean Hong Kong Investment Limited ("**Mid-Ocean**"), an indirect wholly-owned subsidiary of the Company, entered into the acquisition agreement (the "**2022 Acquisition Agreement**") with an equity holder of Shundong Port (the "**2022 Vendor**"), pursuant to which Mid-Ocean agreed to acquire 8.5% registered capital of Shundong Port from the 2022 Vendor for the total cash consideration of RMB86,000,000 (HK$106,141,000). Details of the 2022 Acquisition Agreement are set out in the Company's announcement dated 24 June 2022. As at the date of this announcement, 2022 Acquisition Agreement has yet to be completed.

(c) In late 2019, the Group completed its acquisition of Ever Rosy Ventures Limited ("**Ever Rosy**") , through which the Group held 28% effective interest of Tai'an Wanyue Real Estate Company Limited(泰安萬岳置業有限公司)("**Tai'an Wanyue**"), which is engaged in a real estate property project situated at Tai'an Daiyue District, Tai'an City, Shandong Province, the PRC. The Group classified such investment as equity instruments at fair value through other comprehensive income upon completion.

After completion, the financial and operational performance of Tai'an Wanyue under-performed as compared to the Group's expectation, as the property project experienced construction delay due to the outbreak of COVID-19 pandemic. In September 2021, the Group commenced legal action in the High Court of Hong Kong against (inter alia) the vendor (the "**Litigation**") to apply for (inter alia) an Order to have the acquisition agreement set aside and any consideration already paid to be fully refunded. On 17 June 2022, the vendor surrendered the promissory notes in the aggregate face value of RMB110,500,000 to the Group for cancellation, thereby reducing the consideration of the acquisition. Upon this surrender of promissory note, the Group was discharged and released from current liabilities as at 31 March 2022 in the amount of HK$126,013,000. Further details of the Litigation and the adjustment of consideration were set out in the Company's announcement dated 17 June 2022.

(d) On 24 June 2022, a settlement proposal (the "**Settlement Proposal**") was reached between the Group and the vendor in respect of the acquisition of Ever Rosy, involving (inter alia): (i) the immediate repayment by the vendor of RMB33,500,000 (the "**First Installment Payment**") to the Group; (ii) the repayment by the vendor of RMB80,000,000 together with interest accruing at the rate of 5.5% per annum (the "**Balance Payment**") on or before 31 March 2023; (iii) the waiver of all interest on the promissory notes in favour of the Group; (iv) the immediate transfer back of Ever Rosy to the vendor, against the share pledge in favour of the Group to secure the vendor's payment obligations in respect of the Balance Payment. On 27 June 2022, the Group received the First Installment Payment from the vendor. Further details of the Settlement Proposal were set out in the Company's announcement dated 24 June 2022.

MANAGEMENT DISCUSSION AND ANALYSIS

Operating results

The Group is principally engaged in the leasing of oil and liquefied chemical terminal and trading and provision of agency services on trading of oil and liquefied chemical products and insurance brokerage service.

(i) Revenue

During the year, the Group's record revenue was approximately HK$521 million (for the fifteen months ended 31 March 2021: HK$193 million). The Group's revenue is mainly contributed from the rental income of the Port and Storage Facilities approximately HK$156 million (for the fifteen months ended 31 March 2021: HK$192 million) and trading of oil and liquefied chemical products approximately HK$364 million (for the fifteen months ended 31 March 2021: HK$1 million).

(ii) Gross profit

During the year, the Group's record gross profit was approximately HK$165 million (for the fifteen months ended 31 March 2021: HK$190 million). The Board believes that the stable rental income generated from the leasing of Port and Storage Facilities enables the Group to maintain the gross profit position.

(iii) Profit for the Year

The Group recorded a profit for the year of approximately HK$42 million (for the fifteen months ended 31 March 2021: HK$59 million), the profit is mainly attributable from the rental income from the Oil and Liquefied Chemical Terminal business which generate a stable income source to the Group.

Business review

Operation of liquid chemical terminal, storage and logistics facilities business

In 2015, the Group acquired 51% equity interest in Shandong Shundong Port Services Company Limited ("**Shundong Port**"). Shundong Port owns two sea area use rights covering an aggregate area available for land-forming and reclamation construction of approximately 31.59 hectares in Dongying Port, Shandong Province, the PRC and permitting the construction of reclamation and landforming for use in sea transportation and port facilities for a 50-years' period running from 13 November 2014 to 12 November 2064 and 23 February 2016 to 22 February 2066 respectively. Shundong Port has completed the construction and commenced leasing of its Port and Storage Facilities since 2017, with full commercial operation having been achieved in May 2018. Approximately HK$156 million rental income was generated during the year.

In June 2020, two independent investors (the "**Investors**") entered into a funding agreement (the "**Funding Agreement**") with Shundong Port pursuant to which the Investors agreed to provide funding of RMB360 million (approximately HK$444 million) to Shundong Port by way of non-voting, fixed-interest preferred shares. As at the date of this announcement, RMB270 million (approximately HK$333 million) has been drawn down from the Investors pursuant to the Funding Agreement and the remaining sum has yet to be drawn down. Since the Funding Agreement involves no dilution of the Group's voting right, profit sharing and return of capital in Shundong Port and the funding provided by the Investors are essentially by way of debt instrument in nature. Shundong Port remains as a subsidiary of the Company and its results continue to be consolidated in the Group's financial statements.

Financial review

Liquidity, financial resources and capital structure

As at 31 March 2022, the Group had total assets of approximately HK$2,349 million (2021: HK$2,264 million), total liabilities of approximately HK$1,109 million (2021: HK$1,099 million), indicating a gearing ratio of 0.47 (2021: 0.49) on the basis of total liabilities over total assets. The current ratio of the Group as at 31 March 2022 was 0.73 (2021: 1.26) on basis of current assets over current liabilities

As at 31 March 2022, the Group had bank and other borrowings of approximately HK$299 million and HK$12 million respectively (2021: HK$176 million and HK$23 million respectively). The aggregate bank deposits and cash in hand of the Group were approximately HK$58 million (2021: HK$14 million).

Contingent liabilities

As at 31 March 2022, the Group did not have any significant contingent liabilities.

Capital and other commitments

The Group had capital commitments contracted but not provided for of approximately HK$51 million as at 31 March 2022 (2021: HK$54 million).

Charges on assets

As at 31 March 2022, entire investment properties of approximately HK$1,666 million (2021: HK$1,574 million) were pledged for the Group's bank borrowings and lease liabilities. As at 31 March 2021, trade receivables from rental income of approximately HK$16 million was pledged for the Group's bank borrowings.

Exchange exposure

The Group mainly operates in Hong Kong and PRC and the exposure in exchange rate risks mainly arises from fluctuations in the HK$ and RMB exchange rates. Exchange rate fluctuations and market trends have always been the concern of the Group. The policy of the Group for its operating entities operates in their corresponding local currencies to minimise currency risks. The Group, after reviewing its exposure for the time being, did not enter into any derivative contracts aimed at minimising exchange rate risks during the reporting period. However, management will monitor foreign currency exposure and will consider hedging significant foreign currency exposure if necessary.

Employee information

As at 31 March 2022, the Group employed 71 full-time employees (2021: 65). The Group's emolument policies are formulated on the performance of individual employees and are reviewed annually in line with industry practice. The Group also provides provident fund schemes (as the case may be) to its employees depending on the location of such employees.

Dividends

The Board did not recommend the payment of any dividend for the year (for the fifteen months ended 31 March 2021: Nil).

Future plan and prospects

Operation of liquid chemical terminal, storage and logistics facilities business

Since the completion of the acquisition of 51% effective interest in Shundong Port by the Group in December 2015, the Group had been proactively promoting the continual construction of the Port and Storage Facilities. The original design of the Port and Storage Facilities anticipated four berths for chemical tankers of 10,000 tonnage and two berths for chemical tankers of 5,000 tonnage. The construction was completed in late September 2017, with and the terminal had commencing partial operation in late September 2017 and full operation in May 2018.

On 24 October 2016, Shundong Port entered into a lease agreement (the "**Lease Agreement**") to lease the Port and Storage Facilities to an independent third party (the "**Original Lessee**"). The rent payable by the Original Lessee to Shundong Port for the Port and Storage Facilities under the Lease Agreement including value-added tax is RMB125 million (approximately HK$154 million) per annum, which shall be payable in twelve equal instalments on monthly basis in advance. The Lease Agreement became effective in May 2018.

In December 2020, the Lease Agreement was terminated such that the Original Lessee was released from the continual performance of the Lease Agreement with effect from 1 January 2021 by the payment of a liquidated damages. In this regards, Shundong Port entered into a new lease agreement (the "**Novated Port Lease Agreement**") with another independent third party (the "**New Lessee**") whereby Shundong Port continued to lease the Port and Storage Facilities to the New Lessee with effect from 1 January 2021 and for the remainder of the lease period until 19 May 2023. The gross annual rent (including value-added tax) has increased from RMB125 million (approximately HK$154 million) to RMB140 million (approximately HK$173 million) with effect from 1 January 2021 until 31 March 2022, and shall further increase to RMB150 million (approximately HK$185 million) with effect from 1 April 2022 until 19 May 2023. Details was disclosed in the announcement of the Company dated 30 December 2020.

The Lease Agreement and the Novated Port Lease Agreement provided an opportunity for the Company to generate a stable rental income from the Port and Storage Facilities, which is expected to expedite the Group's recovery of investment costs and to deliver reasonable return on capital to the Group on this project. In addition, the Novated Port Lease Agreement is expected to improve the Group's asset and liabilities position in the long run, and to further enhance the fund-raising capabilities of Shundong Port in the short run. It is currently expected that any cash derived from the rental income of the Novated Port Lease Agreement will be retained by Shundong Port for its settlement of indebtedness, ongoing expansion and development plans.

Insurance brokerage business

Following the completion of the acquisition of an insurance brokerage entity (as detailed in the Company's announcement dated 7 May 2018), the Group creates an independent business segment in August 2018. The Board believes that the Group can benefit from the diversification of its operations into this industry and through better deployment of available resources, can bring values to the Group and the shareholders of the Company as a whole.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company and the Board have applied the principles in the code provisions of the Corporate Governance Code and Corporate Governance Report (the "**CG Code**") contained in Appendix 14 to the Listing Rules by adopting the code provisions of the CG Code. During the year, the Board has adopted and complied with the code provisions of the CG Code in so far they are applicable with the exception of the deviation from C.2.1 of the CG Code, the roles of chairman and chief executive officer (the "**CEO**") should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and CEO should be clearly established and set out in writing. During the year, the position of the CEO was vacated. Subsequently on 7 April 2022, the Company appointed Mr. Liu Yong as the CEO of the Company.

Under Code Provision C.1.6 of the CG Code, independent non-executive directors should attend general meetings and develop a balanced understanding of the views of shareholders, Mr. Wang Jinghua, the independent non-executive Director, was unable to attend the annual general meeting of the Company held on 18 January 2022 due to his other prior engagements.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code and the Company has made specific enquiries with all Directors and all of them confirmed that they had complied with the required standards set out in the Model Code throughout the year.

AUDIT COMMITTEE

The Audit Committee was established with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the terms of reference are in line with the CG Code. The Audit Committee currently comprises three independent non-executive Directors and is chaired by Mr. Tang Qingbin. The Audit Committee is responsible for review of the Group's accounting principles, practices internal control procedures and financial reporting matters including the review of the interim and final results of the Group prior to recommending to the Board for approval.

REVIEW OF UNAUDITED RESULTS

Due to the implementation of the tightened COVID-19 prevention and mandatory quarantine requirements in Hong Kong and China, the financial management of the Company must stay in Hong Kong to coordinate with the Company's auditor (the"**Auditor**"), and have to rely on the staff in the PRC to assist the on-site audit work in China. While the Hong Kong team has closely supervised the PRC teams by telephone and real time conferencing, the preparation of requested information was delayed and thus affected the valuation work and the efficiency as compared to direct physical traveling to China prior to the outbreak of COVID-19.

The Company is notified that due to the delay caused by COVID-19, as at the date of this announcement, the Auditor has yet to complete all of its audit procedures for the audit of the Company's consolidated financial statements for the year ended 31 March 2022, as additional time is requested in (a) performing audit procedures on the external valuer's work in the impairment or valuation of assets or liabilities, especially (i) equity instruments at fair value through other comprehensive income, promissory notes and investment properties; (ii) expected credit loss assessment and impairment assessment on trade and bills receivables, prepayments, deposits paid and other receivables; and (b) receiving audit confirmations from certain banks, debtors and creditors.

The Unaudited Results contained herein have not yet been agreed with the Auditor, but have been reviewed by the Audit Committee. The Company currently expects that the auditing process should be completed on or before 31 July 2022.

Following the completion of the auditing process, the Company will issue further announcement(s) in relation to: (a) the audited results for the year ended 31 March 2022 as agreed by the Auditor and the material differences (if any) as compared with the Unaudited Results contained herein; (b) the proposed date of the forthcoming annual general meeting of the Company (the "**2022 AGM**"), which is currently expected to take place on or before 30 September 2022; and (c) the book closure period for the purpose of ascertaining shareholders' eligibility to attend and vote at the 2022 AGM. In addition, the Company will issue further announcement(s) as and when necessary if there are other material development in the completion of the auditing process.

PUBLICATION OF AUDITED RESULTS AND ANNUAL REPORT

This Unaudited Results announcement is published on the websites of the Stock Exchange (http://www.hkex.com.hk) and the Company. Based on the current progress, the Company currently expects that the audited consolidated results of the Company for the year ended 31 March 2022 should be published on or around 31 July 2022. The annual report of the Company for the year ended 31 March 2022, containing all the information as required by the Listing Rules, is expected to be dispatched to the shareholders of the Company and made available for review on the same websites in due course.

WARNING STATEMENT

The financial information contained in this announcement in respect of the Unaudited Results of the Group have not been audited nor agreed with the Auditor. Shareholders and potential investors of the Company should exercise caution when dealing in the shares of the Company.

By order of the Board
Energy International Investments Holdings Limited
Cao Sheng
Chairman

Hong Kong, 30 June 2022

As at the date of this announcement, the executive Directors are Mr. Cao Sheng (Chairman), Mr. Liu Yong (Chief Executive Officer), Mr. Chan Wai Cheung Admiral, Mr. Lan Yongqiang and Mr. Shi Jun; and the independent non-executive Directors are Mr. Tang Qingbin, Mr. Wang Jinghua and Mr. Fung Nam Shan.