Innovativity To Productivity

PRODUCTIVE TECHNOLOGIES COMPANY LIMITED

普達特科技有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 650)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

The board (the "**Board**") of directors (the "**Directors**") of Productive Technologies Company Limited (the "**Company**") is pleased to announce the unaudited interim results of the Company and its subsidiaries for the six months ended 30 September 2022 (the "**Reporting Period**"). The interim results of the Company and its subsidiaries are unaudited but have been reviewed by the audit committee of the Company (the "**Audit Committee**").

CORPORATE PROFILE

The Company is engaged in the pan-semiconductor business of productivity-driven equipment applied in semiconductor and solar cell 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 classified as interest in associates and financial assets at fair value through profit or loss in the Company's financial statements.

During the Reporting Period, the Company has commenced businesses in the development and manufacturing of innovative Wafer Fabrication Equipment ("**WFE**") and solar cell production equipment. WFE comprises high-end single wafer cleaning and chemical vapor deposition ("**CVD**") equipment for front-end wafer processing. Solar cell production equipment includes wet chemical cleaning equipment and copper plating equipment. The Company has established and acquired companies in China and abroad for the operation, research and development, and manufacturing of the above-mentioned businesses (among which CVD equipment and copper plating equipment are currently under development), 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**"), Shanghai Rena Trading Co., Ltd.* (上海瑞耐貿易有限責任公司) ("**Rena Shanghai**"), and Rena Solar Technologies (Yiwu) Co., Ltd.* (瑞納太陽能科技(義烏)有限公司) ("**Rena Yiwu**") . 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**") is a subsidiary of the Company engaging in the sale of crude oil. The principal business of the major subsidiaries and investments portfolio companies are set out as follows:

- PDT Shanghai, established on 14 January 2022, is a wholly-owned subsidiary of the Company. It is engaged in the sale, research and development, and the provision of engineering services for semiconductor equipment, including but not limited to 6 inches, 8 inches and 12 inches backside thinning equipment, bulk cleaning equipment, solvent equipment, and SPM cleaning equipment.

- Rena Shanghai and Rena Yiwu are wholly-owned subsidiaries acquired by the Company on 18 August 2022. They are mainly responsible for the sale, research and development and the provision of engineering services for solar cell equipment, including but not limited to cleaning equipment and copper plating equipment. The Company holds 100% equity interest in Rena Shanghai and Rena Yiwu and has consolidated their financial results into its financial statements since completion of the acquisition.

- PDT Xuzhou, established on 22 February 2022, is a wholly-owned subsidiary of the Company. It is engaged in the manufacturing of equipment for semiconductor and solar cell as stated above based on the business needs of PDT Shanghai and Rena Shanghai.

- Hongbo Mining is a wholly-owned subsidiary acquired by the Company in 2016. It is an operating company engaging in the exploration, development, production and sale of crude oil in China with a gross sales volume of approximately 154,810 barrels, and gross revenue from sales of approximately HK$124.1 million for the Reporting Period. The Company holds 100% equity interest in Hongbo Mining and therefore its financial results are fully consolidated to the Company's financial statements.

- Jiangxi Jovo Energy Company Limited* (江西九豐能源股份有限公司) ("**JOVO**") (a company listed on the Shanghai Stock Exchange (stock code: 605090)), 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, offering clean energy and related products, including liquefied natural gas (LNG), liquefied petroleum gas (LPG) and methanol, and the provision of comprehensive solutions for international energy supply 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, has been engaging in the provision of LNG logistics services using LNG ISO container model since 2019. Upon completion of equity contribution in JUSDA Energy, the Company holds 39% equity interest in it and classifies this investment as interest in an associate in the Company's financial statements.

- Weipin ("**Weipin**"), a mobility sector portfolio company invested by the Company in 2019, is principally engaged in the online ride-hailing services business in China. The Company effectively holds a 35.5% equity interest in Weipin and classifies 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 interim results announcement.

FINANCIAL SUMMARY

	Six months ended 30 September	
	2022	2021
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Continuing Operations		
Revenue *(Note 1)*	**432,746**	65,212
— from sales of equipment *(Note 1)*	**333,458**	–
— from sales of crude oil *(Note 1)*	**99,288**	65,212
Gross profit *(Note 2)*	**60,809**	15,809
Investment income/(loss) *(Note 3)*	**21,866**	(257,805)
EBITDA from continuing operations	**8,025**	(246,865)
Loss before taxation from continuing operations	**(32,610)**	(277,372)
Loss for the period from continuing operations *(Note 4)*	**(42,989)**	(279,007)
Discontinued Operation		
Profit for the period from discontinued operation *(Note 5)*	**–**	56,924
Loss for the period	**(42,989)**	(222,083)
— Attributable to equity shareholders of the Company	**(42,989)**	(199,790)
— Attributable to non-controlling interests	**–**	(22,293)
Basic and diluted (loss)/earnings per share		
— Continuing and discontinued operations	**HK$(0.568 cent)**	HK$(2.899 cent)
— Continuing operations	**HK$(0.568 cent)**	HK$(4.048 cent)
— Discontinued operation	**–**	HK$1.149 cent

	As at	
	30 September	31 March
	2022	2022
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Non-current assets	**1,340,419**	981,125
Current assets	**1,699,718**	1,891,981
Total assets	**3,040,137**	2,873,106
Current liabilities	**423,793**	178,712
Non-current liabilities	**117,457**	100,940
Total liabilities	**541,250**	279,652
Total equity	**2,498,887**	2,593,454

Note 1: The revenue represents:

1) the revenue generated from the sales of solar cell cleaning equipment. The Company recognized revenue amounting to approximately HK$333.5 million for the Reporting Period.

2) the revenue generated from the net sales of crude oil produced by Hongbo Mining. The increase in revenue was mainly due to the increase of the crude oil price.

Note 2: The significant increase in the gross profit was mainly due to the increase of the margin from sales of crude oil under the current high oil price environment, and the margin from sales of solar cell cleaning equipment from the rapidly developing new pan-semiconductor business.

Note 3: The investment income/(loss) stated here mainly includes (i) the net of investment income and losses in the form of fair value change from investment projects; and (ii) the gain or loss shared from associates. On 10 June 2022 (after trading hours), Stonehold Energy Corporation ("**Stonehold**") entered into a purchase and sale agreement with a third-party buyer (the "**Buyer**"), pursuant to which Stonehold agreed to sell and assign to the Buyer all its right, title and interest in the underlying assets (the "**Disposal**"). The Disposal was completed on 15 July 2022, and a total amount of approximately HK$511.9 million has been received or is receivable by the Company by installments. As a result, an investment income amounting to approximately HK$20.3 million was recognized upon Disposal. Comparatively, a loss of fair value change amounting to HK$294.0 million was recognized during the six months ended 30 September 2021 as a result of the burgeoning global promotion of carbon neutralization, which directly and indirectly promoted and induced the use of natural gas and caused the then expected long-term low oil price.

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

(i) the administrative and research and development ("**R&D**") expenses of approximately HK$75.3 million resulted from the rapid development and expansion of the Company's new pan-semiconductor business in semiconductor and solar industry, including the awarded shares granted to its employees recognized as administrative and R&D expenses and the R&D for 6 to 12 inches single wafer clean equipment and high WPH ("**Wafer Per Hour**") solar wet equipment, which shall become a major product of the Company; and

(ii) finance costs of approximately HK$16.3 million which mainly includes foreign exchange loss resulted from the depreciation of RMB against HKD during the Reporting Period.

Note 5: The discontinued operation represents the business from the online ride-hailing services provided by Weipin when its financial results were consolidated into that of the Company. The financial results of Weipin ceased to be consolidated into the financial statements of the Company and the Company has classified the investment in Weipin as interest in an associate after the Company ceased to have controls on the board and any decision-making process of Weipin on 21 June 2021 (the "**Deconsolidation Date**"). The profit from discontinued operation for the six months ended 30 September 2021 includes the net loss recorded for the period between 1 April 2021 and the Deconsolidation Date of approximately HK$34.3 million and the gain recorded on deemed disposal of Weipin at Deconsolidation Date of approximately HK$91.2 million.

OPERATING SUMMARY

		Six months ended 30 September 2022	2021
Pan-semiconductor	**Solar Cell Cleaning Equipment**		
	Order intake during the period (set) *(Note 1)*	**27**	–
	Tools shipment (set) *(Note 2)*	**5**	–
	Semiconductor Cleaning Equipment		
	Order intake during the period (set) *(Note 1)*	**4**	–
Oil and Gas and others	**Upstream oil and gas business from Hongbo Mining**		
	Gross production volume (barrels) *(Note 3)*	**154,312**	151,684
	Gross sales volume (barrels) *(Note 3)*	**154,810**	151,410
	Net sales volume (barrels)	**123,848**	121,128
	Average unit selling price (HK$ per barrel) *(Note 3)*	**853**	538
	Average daily gross production volume (barrels)	**857**	843
	Average unit production cost before depreciation and amortisation (HK$ per barrel) *(Note 3)*	**139**	154
	Average unit production cost (HK$ per barrel) *(Note 3)*	**354**	326
	Wells drilled during the period		
	— Dry holes (unit)	**–**	–
	— Oil producers (unit) *(Note 4)*	**8**	–
	Fracturing workover during the period (unit)	**4**	6
	Key investment income/(loss) ***(HK$'000)***		
	Stonehold investment *(Notes 5 and 8)*	**20,331**	(294,005)
	JOVO investment *(Notes 6 and 8)*	**23,044**	134,088
	Symbio Infrastructure investment (formerly GNL Quebec investment) *(Note 7)*	**–**	(68,343)

Note 1: After commencing the new business in the pan-semiconductor industry, the Company has been actively exploring its market and successfully received orders for 27 sets of solar cell cleaning equipment and 4 sets of semiconductor cleaning equipment from customers. As at the date of this interim results announcement, the Company has received purchase orders of 63 sets of semiconductor and solar cell equipment from customers. The manufacturing of the equipment is in process in the Company's factory in Xuzhou and the shipment is scheduled at the fourth quarter of 2022.

Note 2: The Company shipped and sold 5 sets of solar cell wet processing equipment since its production base was moved in and settled in the Electronic Information Industrial Park, Xuzhou High-tech Zone in February 2022 and trial operations was commenced in early May 2022.

Note 3: Hongbo Mining is a subsidiary of the Company engaged in the 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 4: In 2020, Hongbo Mining halted all well-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 high oil price environment from the end of 2021, Hongbo Mining has started drilling wells since April 2022. Since then and up to the date of this interim results announcement, Hongbo Mining has successfully drilled 8 new wells.

Note 5: On 10 June 2022 (after trading hours), Stonehold entered into a purchase and sale agreement with the Buyer, pursuant to which Stonehold agreed to sell and assign to the Buyer all its right, title and interest in the underlying assets. The Disposal was completed on 15 July 2022. Upon completion of the Disposal, an investment income amounting to approximately HK$20.3 million was recognized.

Note 6: The investment income 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 7: 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. During the six months ended 30 September 2021, a loss was recorded as a result of the Quebec provincial government's unexpected decision of not approving environmental permits for Symbio Infrastructure's Terminal and such situation remained unchanged during the Reporting Period.

Note 8: Please refer to note 5 to the consolidated financial information and the section headed "Business Review" in this interim results announcement for further information.

For the purpose of this interim 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 six months ended 30 September 2022 — unaudited
(Expressed in Hong Kong dollars)

		Six months ended 30 September	
		2022	2021
	Note	***HK$'000***	*HK$'000*
Continuing operations			
Revenue	*4*	**432,746**	65,212
Cost of sales		**(371,937)**	(49,403)
Gross profit		**60,809**	15,809
Investment income/(loss)	*5*	**21,866**	(257,805)
Other net gains		**490**	287
Administrative expenses		**(59,671)**	(30,800)
Research and development expenses		**(15,665)**	–
Selling and marketing expenses		**(5,733)**	–
Taxes other than income tax		**(21,712)**	(5,859)
Exploration expenses, including dry holes		**(650)**	(427)
Impairment loss on trade receivables	*11*	**(572)**	–
Loss from continuing operations		**(20,838)**	(278,795)
Finance income		**4,509**	5,472
Finance costs		**(16,281)**	(4,049)
Net finance (costs)/income	*6(a)*	**(11,772)**	1,423
Loss before taxation from continuing operations	*6*	**(32,610)**	(277,372)
Income tax	*7*	**(10,379)**	(1,635)
Loss for the period from continuing operations		**(42,989)**	(279,007)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

for the six months ended 30 September 2022 — unaudited (continued)
(Expressed in Hong Kong dollars)

		Six months ended 30 September	
		2022	2021
	Note	***HK$'000***	*HK$'000*
Discontinued operation			
Profit for the period from discontinued operation	*8*	**–**	56,924
Loss for the period		**(42,989)**	(222,083)
Attributable to:			
Equity shareholders of the company		**(42,989)**	(199,790)
Non-controlling interests		**–**	(22,293)
Loss for the period		**(42,989)**	(222,083)
Earnings/(loss) per share	*9*		
Basic and diluted			
— Continuing and discontinued operations		**HK$(0.568 cent)**	HK$(2.899 cent)
— Continuing operations		**HK$(0.568 cent)**	HK$(4.048 cent)
— Discontinued operation		**–**	HK$1.149 cent

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the six months ended 30 September 2022 — unaudited
(Expressed in Hong Kong dollars)

		Six months ended 30 September	
		2022	2021
	Note	***HK\$'000***	*HK\$'000*
Loss for the period		**(42,989)**	(222,083)
Other comprehensive income for the period (after tax and reclassification adjustments)			
Items that may be reclassified subsequently to profit or loss:			
Exchange reserve released upon Deemed Disposal of Weipin	*8*	**–**	(6,111)
Foreign currency translation differences		**(62,813)**	9,005
Other comprehensive income for the period		**(62,813)**	2,894
Total comprehensive income for the period		**(105,802)**	(219,189)
Attributable to:			
Equity shareholders of the company		**(105,802)**	(199,106)
Non-controlling interests		**–**	(20,083)
Total comprehensive income for the period		**(105,802)**	(219,189)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
at 30 September 2022 — unaudited
(Expressed in Hong Kong dollars)

	Note	At 30 September 2022 HK$'000	At 31 March 2022 HK$'000
Non-current assets			
Property, plant and equipment		**510,231**	545,749
Construction in progress		**2,859**	3,855
Intangible assets	*15*	**152,247**	25,774
Goodwill	*15*	**265,632**	–
Right-of-use assets		**42,346**	19,028
Interest in associates		**255,682**	290,326
Financial assets at fair value through profit or loss	*10*	**86,296**	72,809
Other non-current assets		**24,937**	23,584
Deferred tax assets		**189**	–
		1,340,419	981,125
Current assets			
Inventories		**251,269**	9,187
Trade receivables	*11*	**65,169**	10,845
Bills receivable	*11*	**5,516**	8,878
Other receivables	*11*	**90,473**	42,365
Prepayments		**77,517**	41,437
Financial assets at fair value through profit or loss	*10*	**113,405**	849,950
Derivative financial instruments		**5,780**	–
Other current assets		**2,166**	–
Restricted cash		**238,735**	–
Time deposits with maturities over three months but within one year		**368,950**	383,552
Cash and cash equivalents		**480,738**	545,767
		1,699,718	1,891,981

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 30 September 2022 — unaudited (continued)

(Expressed in Hong Kong dollars)

	Note	At 30 September 2022 HK$'000	At 31 March 2022 HK$'000
Current liabilities			
Trade and other payables	*12*	**247,771**	165,159
Contract liabilities	*15*	**159,500**	–
Bank and other borrowings		**6,634**	7,398
Lease liabilities		**9,888**	4,834
Derivative financial instruments		**–**	1,321
		423,793	178,712
Net current assets		**1,275,925**	1,713,269
Total assets less current liabilities		**2,616,344**	2,694,394
Non-current liabilities			
Lease liabilities		**26,773**	4,946
Deferred tax liabilities		**19,588**	28,881
Provisions		**71,096**	67,113
		117,457	100,940
NET ASSETS		**2,498,887**	2,593,454
CAPITAL AND RESERVES			
Share capital	*13(b)*	**75,644**	75,644
Treasury shares		**(525)**	(525)
Reserves		**2,423,768**	2,518,335
TOTAL EQUITY		**2,498,887**	2,593,454

NOTES TO THE UNAUDITED INTERIM FINANCIAL INFORMATION

(Expressed in Hong Kong dollars unless otherwise indicated)

1 GENERAL INFORMATION

Productive Technologies Company Limited (formerly known as 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.

Pursuant to a special resolution in relation to the change of company name passing at the special general meeting of the Company on 22 June 2022, the name of the Company was changed from IDG Energy Investment Limited to Productive Technologies Company Limited with effect from 21 July 2022.

During the six months ended 30 September 2022, the Company and subsidiaries (the "**Group**") are engaged in the pan-semiconductor business of productivity-driven equipment applied in semiconductor and solar cell businesses. It also operates an oil and gas production project in China.

At 30 September 2022, the directors consider the immediate parent of the Group to be Titan Gas Technology Investment Limited ("**Titan Gas**") incorporated in the British Virgin Islands, which is 100% held by Titan Gas Technology Holdings Limited. Titan Gas Technology Holdings Limited is owned as to 35.13% by Standard Gas Capital Limited, 49.14% by IDG-Accel China Capital II L.P. and IDG-Accel China Capital II Investors L.P., 8.05% by Mr. Wang Jingbo and 6.87% by Kingsbury International Holdings Co., Ltd., 0.73% by Zhang Weiwei and 0.08% by Bryce Wayne Lee.

2 BASIS OF PREPARATION

This interim financial information has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange, including compliance with Hong Kong Accounting Standard (HKAS) 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants (HKICPA). It was authorised for issue on 25 November 2022.

The interim financial information has been prepared in accordance with the same accounting policies adopted in the annual financial statements for the year ended 31 March 2022, except for the accounting policy changes that are expected to be reflected in annual financial statements for the year ending 31 March 2023. Details of any changes in accounting policies are set out in note 3.

The preparation of an interim financial information in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial information contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the annual financial statements for the year ended 31 March 2022. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**").

3 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:

- Amendments to HKAS 16, *Property, plant and equipment: Proceeds before intended use*
- Amendments to HKAS 37, *Provisions, contingent liabilities and contingent assets: Onerous contracts — cost of fulfilling a contract*

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 in this interim financial information. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

4 REVENUE AND SEGMENT REPORTING

(a) Disaggregation of revenue

As disclosed in note 8, revenue from rendering of service 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		**Discontinued operation**		**Total**	
Six months ended 30 September	**2022**	2021	**2022**	2021	**2022**	2021
	HK$'000	*HK$'000*	**HK$'000**	*HK$'000*	***HK$'000***	*HK$'000*
Revenue from contracts with customers and recognised at point in time within the scope of HKFRS 15						
— sales of equipment *(note (i))*	**333,458**	–	**–**	–	**333,458**	–
— sales of crude oil *(note (ii))*	**99,288**	65,212	**–**	–	**99,288**	65,212
— rendering of services *(note (iii))*	**–**	–	**–**	751,157	**–**	751,157
Cost of sales and services						
— sales of equipment	**(317,255)**	–	**–**	–	**(317,255)**	–
— sales of crude oil	**(54,682)**	(49,403)	**–**	–	**(54,682)**	(49,403)
— rendering of services	**–**	–	**–**	(760,166)	**–**	(760,166)
	60,809	15,809	**–**	(9,009)	**60,809**	6,800

Notes:

(i) Revenue from sales of equipment mainly represents sales of solar cell cleaning equipment. The amount of revenue represents the sales value of equipment and parts to the customers, net of value added tax. There is one major customer with whom transactions exceeded 10% of the revenue from sales of equipment.

(ii) Revenue from sales of crude oil is generated by 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**”). 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 and was expired on 30 June 2022. According to the communication between the Company and Yanchang, the EPCC is expected to be extended in the near future. Yanchang had obtained from the Ministry of Land and Resources of PRC a 15-year valid production permit for 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 will expire on 3 April 2027, and the current exploration permit for Block 378 will expire on 20 February 2026. The amount of revenue represents the sales value of crude oil supplied to customers, net of value added tax. There is one major customer with whom transactions exceeded 10% of the revenue from sales of crude oil.

(iii) Revenue from rendering of service is generated by Weipin from rendering online ride-hailing services to passengers. The amount of revenue from rendering of services represents the value of full fares paid by the passengers, net of value added tax and surcharge.

(b) Segment reporting

The Group manages its 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 Group’s most senior executive management for the purposes of resource allocation and performance assessment, the Group presented the following three reportable segments. Details of the Group’s reportable segments are as follows:

- Pan-semiconductor: this segment operates in research and development and manufacturing in both solar cell equipment and semiconductor equipment.

- Oil and gas and others: 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 and managing energy-related and other 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 platform and generates income from rendering of mobility services.

The Group was deemed to dispose of the mobility services businesses segment which is principally engaged in providing online ride-hailing services to passengers through an aggregation traffic platform 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.

(i) Information about profit or loss, assets and liabilities

Disaggregation of revenue from contracts with customers, as well as information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the period is set out below.

	Continuing operations				Discontinued operation Mobility services businesses		Total	
	Pan-semiconductor		Oil and gas and others					
Six months ended 30 September	**2022**	2021	**2022**	2021	**2022**	2021	**2022**	2021
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Revenue from external customers	**333,458**	–	**99,288**	65,212	**–**	751,157	**432,746**	816,369
Investment income/(loss)	**–**	–	**21,866**	(257,805)	**–**	–	**21,866**	(257,805)
Reportable segment profit/(loss) (adjusted EBITDA)	**(26,079)**	–	**34,104**	(246,625)	**–**	68,831	**8,025**	(177,794)
Depreciation and amortisation	**(4,600)**	–	**(35,306)**	(28,072)	**–**	(23,998)	**(39,906)**	(52,070)
Interest income	**37**	–	**4,032**	3,440	**–**	99	**4,069**	3,539
Interest expense	**(399)**	–	**(330)**	(2,435)	**–**	(461)	**(729)**	(2,896)
Impairment loss on trade receivables	**–**	–	**(572)**	–	**–**	(4,394)	**(572)**	(4,394)
As at 30 September/31 March 2022								
Reportable segment assets	**905,747**	–	**2,606,359**	2,873,106	**–**	–	**3,512,106**	2,873,106
Reportable segment liabilities	**(720,774)**	–	**(273,046)**	(250,771)	**–**	–	**(993,820)**	(250,771)

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

(ii) Reconciliations of reportable segment profit or loss

	Continuing operations		Discontinued operation		Total	
Six months ended 30 September	**2022**	2021	**2022**	2021	**2022**	2021
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Profit/(loss)						
Reportable segment profit/(loss) (adjusted EBITDA)	**8,025**	(246,625)	**–**	68,831	**8,025**	(177,794)
Elimination of inter-segment profits	**–**	(240)	**–**	–	**–**	(240)
Depreciation and amortisation	**(39,906)**	(28,072)	**–**	(23,998)	**(39,906)**	(52,070)
Interest expense	**(729)**	(2,435)	**–**	(221)	**(729)**	(2,656)
Consolidated (loss)/profit before taxation	**(32,610)**	(277,372)	**–**	44,612	**(32,610)**	(232,760)

5 INVESTMENT INCOME/(LOSS)

	Six months ended 30 September	
	2022	2021
	HK$'000	*HK$'000*
Stonehold investment *(note (a))*	**20,331**	(294,005)
JOVO investment *(note (a))*	**23,044**	134,088
Symbio Infrastructure investment *(note (a))*	**–**	(68,343)
ssLNG solution investment *(note (a))*	**–**	(12,925)
Fund investment *(note (a))*	**(13,909)**	(1,150)
Dividend income *(note (b))*	**2,541**	2,984
Share of losses of associates *(note (c))*	**(15,043)**	(18,454)
Net realised and unrealised gain on derivative financial instruments *(note (d))*	**4,902**	–
	21,866	(257,805)

Notes:

(a) These amounts represent fair value changes on the Stonehold investment, JOVO investment, Symbio Infrastructure investment, ssLNG solution investment and investment income from the fund during the six months ended 30 September 2022 and 2021. Such assets are measured at FVTPL (see note 10), any interest income arising from such assets is included in fair value changes.

(b) The amount represents the dividend income from JOVO investment and Fund investment.

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

(d) As at 30 September 2022, the Company held two crude oil price swap contracts in place to manage certain exposure to the fluctuation of crude oil price. As the swap contracts did not meet the hedge accounting criteria, relevant fair value changes have been charged to profit or loss for the six months period ended 30 September 2022.

6 PROFIT/(LOSS) BEFORE TAXATION

Profit/(loss) before taxation is arrived at after charging/(crediting):

(a) Net finance (costs)/income

Six months ended 30 September	Continuing operations		Discontinued operation		Total	
	2022	2021	**2022**	2021	**2022**	2021
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Interest income	**4,069**	3,200	**–**	99	**4,069**	3,299
Net gain on bank financing products	**440**	682	**–**	–	**440**	682
Foreign exchange (loss)/gain, net	**(13,574)**	1,590	**–**	–	**(13,574)**	1,590
Interest on bank and other borrowings	**(240)**	(333)	**–**	(79)	**(240)**	(412)
Interest on convertible bond	**–**	(1,972)	**–**	–	**–**	(1,972)
Interest on lease liabilities	**(489)**	(130)	**–**	(142)	**(489)**	(272)
Accretion expenses	**(1,575)**	(1,445)	**–**	–	**(1,575)**	(1,445)
Others	**(403)**	(169)	**–**	–	**(403)**	(169)
	(11,772)	1,423	**–**	(122)	**(11,772)**	1,301

(b) Other items

Six months ended 30 September	Continuing operations		Discontinued operation		Total	
	2022	2021	**2022**	2021	**2022**	2021
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Amortisation	**3,540**	1,464	**–**	23,062	**1,470**	24,346
Depreciation						
— property, plant and equipment	**32,316**	24,960	**–**	106	**32,316**	25,066
— right-of-use assets	**4,050**	1,648	**–**	1,010	**2,421**	2,658

7 INCOME TAX

Six months ended 30 September	Continuing operations		Discontinued operation		Total	
	2022	2021	**2022**	2021	**2022**	2021
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Current tax						
— Hong Kong Profits Tax	**–**	–	**–**	–	**–**	–
— PRC Corporate Income Tax	**16,971**	6,035	**–**	–	**16,971**	6,035
Deferred tax						
— Origination and reversal of temporary differences	**(6,592)**	(4,400)	**–**	(12,312)	**(6,592)**	(16,712)
	10,379	1,635	**–**	(12,312)	**10,379**	(10,677)

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

No provision for Hong Kong profits tax has been made as the Group's operations in Hong Kong had no assessable profits for both current and prior periods. The provision for Hong Kong profits tax is calculated at 16.5% (2021: 16.5%) of the estimated assessable profits.

The provision for PRC current income tax is based on a statutory rate of 25% (2021: 25%) of the assessable profit as determined in accordance with the relevant income tax rules and regulations of the PRC.

8 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 with a total investment of approximately RMB200 million, the Company 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 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 Company no longer had the 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 Operations*.

9 EARNINGS/(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$42,989,000 (six months ended 30 September 2021: loss HK$199,790,000) and the weighted average of 7,564,447,000 ordinary shares (six months ended 30 September 2021: 6,891,710,000 shares) in issue during the interim period, calculated as follows:

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

	Six months ended 30 September	
	2022	2021
	HK$'000	*HK$'000*
— From continuing operations	**(42,989)**	(279,007)
— From a discontinued operation	**–**	79,217
	(42,989)	(199,790)

(2) Weighted average number of ordinary shares

	Six months ended 30 September	
	2022	2021
	HK$'000	*HK$'000*
Weighted average number of ordinary shares	**7,564,447**	6,891,710

There were no potential dilutive shares as at 30 September 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 six months ended 30 September 2022 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.

10 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	At 30 September 2022	At 31 March 2022
	HK$'000	*HK$'000*
Non-current assets		
Fund investment *(note (c))*	**86,296**	72,809
	86,296	72,809
Current assets		
Stonehold investment *(note (a))*	–	523,272
JOVO investment *(note (b))*	**84,658**	315,581
Bank financing products	**28,747**	11,097
	113,405	849,950

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 has been 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) has been 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), provided that 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 fees, costs and expenses reasonably incurred by Stonehold with respect to such disposal, if applicable, be distributed to the Company and Think Excel, as additional interest to the Stonehold investment. The maturity date of Stonehold investment is 10 years after the initial payment of the Stonehold investment.

On 10 June 2022 (after trading hours), Stonehold entered into a purchase and sale agreement with a 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**"). The Disposal was completed on 15 July 2022.

(b) On 14 July 2017, Valuevale Investment Limited ("**Valuevale**"), a wholly-owned subsidiary of the Company, 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 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$155.1 million). As at 30 September 2022, the total capital contributed by Valuefort was US$12.1 million (equivalent to approximately HK$94.1 million) and the fair value of the Fund investment was HK$86.3 million.

11 TRADE AND OTHER RECEIVABLES

All of the trade and other receivables are expected to be recovered or recognized as expense within one year.

As of the end of the reporting period, the ageing 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 30 September 2022	At 31 March 2022
	HK$'000	*HK$'000*
Within 1 month	**47,633**	10,845
1 to 6 months	**12,820**	–
Over 6 months	**4,716**	–
Trade receivables, net of allowance for doubtful debts	**65,169**	10,845
Bills receivable	**5,516**	8,878
Other receivables	**90,473**	42,365
	161,158	62,088

The Group constantly evaluates credit risk for trade and 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 trade receivables amounting to approximately HK$0.6 million recognised during the Reporting Period was mainly from a customer of Hongbo Mining.

12 TRADE AND OTHER PAYABLES

All of the trade and other payables are expected to be settled within one year or are repayable on demand.

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 30 September 2022	At 31 March 2022
	HK$'000	*HK$'000*
Within 1 year	**82,514**	20,944
Over 1 year but within 2 years	**3,442**	4,706
Over 2 years but within 3 years	**2,586**	5,931
Over 3 years	**12,130**	8,412
Trade payables	**100,672**	39,993
Taxes other than income tax payable	**39,683**	28,401
Income tax payable	**21,146**	15,393
Payable due to Yanchang	**62,486**	60,989
Interest payable	**9,186**	10,444
Others	**14,598**	9,939
	247,771	165,159

13 CAPITAL, RESERVES AND DIVIDENDS

(a) Dividends

No dividends were paid, declared or proposed during the six months ended 30 September 2022 and 2021.

(b) Share capital

	Note	Ordinary shares Number of shares '000	Ordinary shares Nominal value HK$'000	Preferred shares Number of shares '000	Preferred shares Nominal value HK$'000	Total Number of shares '000	Total Nominal value HK$'000
Shares of HK$0.01 each							
Authorised:							
At 1 April 2021, 31 March 2022 and 30 September 2022		11,000,000	110,000	5,000,000	50,000	16,000,000	160,000
Issued, paid or payable:							
At 1 April 2021 and 30 September 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 and 30 September 2022		7,564,447	75,644	–	–	7,564,447	75,644

14 MATERIAL RELATED PARTY TRANSACTIONS

(a) Key management personnel remuneration

Remuneration for key management personnel, including amounts paid to directors and certain of the highest paid employees, is as follows:

	Six months ended 30 September 2022 HK$'000	Six months ended 30 September 2021 HK$'000
Short-term employee benefits	**4,250**	3,267
Equity settled share-based compensation	**6,250**	–
Post-employment benefits	**58**	96
	10,558	3,363

(b) Financing arrangements

	Amounts owed to the Company by related parties At 30 September 2022 HK$'000	Amounts owed to the Company by related parties At 31 March 2022 HK$'000	Related interest income Six months ended 30 September 2022 HK$'000	Related interest income Six months ended 30 September 2021 HK$'000
Loans to an associate	**11,842**	12,782	**499**	493
Loans from an associate	**(716)**	(777)	**(31)**	(11)

(c) Transactions with other related parties

Apart from the transactions disclosed elsewhere in this interim financial information, there were following material transactions with related parties during the reporting period.

	Six months ended 30 September	
	2022	2021
	HK$'000	*HK$'000*
With the immediate holding company		
— increase in interest payable on convertible bond	**–**	189

15 BUSINESS COMBINATION

On 13 June 2022, the Company and Valuevale (the "**Purchaser**") entered into a series of agreements ("**Agreements**"), including sales and purchase agreement with RENA Technologies GmbH (the "**Seller**"), pursuant to which the Purchaser conditionally agreed to purchase, and the Seller 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) ("**Rena Shanghai**") and Rena Solar Technologies (Yiwu) Co., Ltd. (瑞納太陽能科技(義烏)有限公司) ("**Rena Yiwu**") (the "**Target Companies**"), sale and transfer of certain contracts, and the entering into of the solar IP license agreement, the transitional services agreement and the transitional trademark license agreement at a total consideration of EUR57 million (the "**Acquisition**"). The group of assets acquired and liabilities assumed under the Acquisition constitute a newly acquired business of the Company (the "**Acquired Business**").

On 18 August 2022 (the "**Completion Date**"), all the conditions precedent to the Acquisition have been fulfilled and the Acquisition was completed on the same date (the "**Completion**") in accordance with the terms and conditions of the Agreements. Upon Completion, the Company holds the entire equity interest in the Target Companies, and the financial results of the Target Companies have therefore been consolidated into the financial statements of the Company.

Identifiable assets acquired and liabilities assumed

The following table summarises the amounts of assets acquired and liabilities assumed on the date of the Acquisition (i.e. the Completion Date).

	Recognised values on acquisition
	HK$'000
Property, plant and equipment	5,866
Intangible assets *(note (a))*	131,733
Right-of-use assets	316
Inventories	477,655
Trade receivables	44,703
Other receivables	1,139
Deferred tax assets	224
Cash and cash equivalents	5,336
Trade and other payables	(53,393)
Lease liabilities	(254)
Contract liabilities	(424,134)
Total identifiable net assets acquired	**189,191**
Goodwill on acquisition *(note (b))*	265,632
Total consideration	454,823
Less: Cash and cash equivalents	(5,336)
Net cash outflow	449,487

Notes:

(a) The intangible assets mainly include:

(i) Solar IP license, which represents an exclusive, transferable and sublicensable (through multiple tiers) worldwide license, and includes the licensed solar patents and the licensed solar know-how that can be used in the solar business in China for a term of 15 years from the Completion Date. It was recognised as an intangible asset with an amortisation period of 15 years and valued at income method with an amount of HK$43.4 million;

(ii) Brand name, which represents a non-exclusive, non-transferable, sublicensable and royalty-free license to use the licensed trademarks until the later of twelve months after the Completion Date or 31 December 2023 or such later date that may be mutually agreed in writing by the Seller and the Purchaser. It was recognised as an intangible asset with an amortisation period of 3 months and valued at income method with an amount of HK$1.1 million;

(iii) Non-competition undertaking that for a period of five years after the Completion Date, the Seller shall not, and shall procure its indirect sole shareholder, RENA Holding I GmbH, and its subsidiaries (excluding the Target Companies) not, directly or indirectly acquire, enter into, establish, conduct or promote any entity, business, business unit or any business activity (whether on its own account in partnership or in joint venture or as shareholder, director, officer, employee, partner, lender, adviser, consultant, agent or otherwise) which directly or indirectly competes with the solar business in China or any part thereof. It was recognised as an intangible asset with an amortisation period of 5 years and valued at income method with an amount of HK$87.3 million.

(b) Goodwill represents the excess of consideration transferred over the fair value of identifiable assets and liabilities measured as at acquisition date (i.e. the Completion Date).

(c) Acquisition-related costs amounting to HK$9.3 million were incurred in relation to the Acquisition.

16 IMPACT OF COVID-19

In the first three quarters of 2022, the international crude oil supply and demand remained in a tight balance, with the average Brent crude oil futures prices at US$102.5 per barrel, up 51.06% from the same period last year. The increase in crude oil production by the Organization of the Petroleum Exporting Countries (OPEC) was lower than the original plan, and the supply was lower than expected. Geopolitical factors such as the Russo-Ukrainian conflict offset the impact of factors such as the frequently changing COVID-19 epidemic on the demand side, and crude oil inventories were at historically low levels. Crude oil market prices rose. Despite the oil and gas industry continues to rebound, attention should be drawn to the impact of the energy industry structure adjustment in various countries around the world, the transition to low-carbon and new energy, and other factors on oil price. The Company will pay close attention to the market, strictly control risks, and do its best to maintain and increase the value of assets financially and operationally.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The principal activities of the Group

The Company is engaged in the pan-semiconductor business of productivity-driven equipment applied in semiconductor and solar cell businesses. It also operates an oil and gas production project in China.

Summary of major operations and investment portfolios

1. ***Development in pan-semiconductor industry***

   The Company has evaluated and considered that the application of pan-semiconductor will be a major global development trend. The pan-semiconductor sector features a wide range of applications across different industries, and the Company has been reviewing semiconductor and solar 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 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 2021, China's semiconductor equipment market will account for 25.8% of the world's total, and it is expected to reach about 30% in 2022. Under the current international trade environment, this huge and continuously growing market urgently requires innovative and adaptable semiconductor equipment supplies. To capitalise on these market developments, the Company plans to expand its investment gradually further in opportunities relating to semiconductor equipment. In addition to the semiconductor industry, the solar cell industry is another major pan-semiconductor business that the Company is going to develop. According to Bloomberg New Energy Finance (BNEF), the LCOE (levelized cost of electricity) of solar cell has decreased by more than 80% over the past 10 years, and China has achieved price parity among electricity grids in 2020. Both factors would speed up the industry growth in the future. According to reputable market forecasts, the global solar module market is estimated to reach US$46.9 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 Development in semiconductor and solar cell cleaning equipment business

Wafer cleaning equipment market is estimated to account for 6% of global WFE market or US$6 billion in 2022. Chinese domestic market dominates approximately 25.8% of global market, which represents more than US$1.5 billion. Within domestic market, Chinese end-customers purchase around 50% of wafer cleaning equipment, which is an addressable market of more than US$700 million for the Company. Solar cell cleaning equipment represents 16% market size globally, which is more than US$200 million in 2021. Since Chinese domestic market dominates nearly 95% global photovoltaic ("**PV**") market, it is expected that the Company has access to a substantial portion of the PV market. The pan-semiconductor business in cleaning equipment for semiconductor and solar cell which focuses on technology and solutions providing high productivity to customers is a key area where the Company is now putting efforts and resources. To promote this new business development, the Company has expanded its management expertise by recruiting highly experienced new management members leading the new pan-semiconductor business in semiconductor and solar cell.

The management team for this new business development is 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 pan-semiconductor related upstream and downstream companies globally with average working experience in the industry of more than 15 years. Most 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 a new customer, which is principally engaged in manufacturing of wet processing equipment (the "**New Customer**"). Pursuant to the Manufacturing Agreement, the Company shall manufacture and supply to the New Customer the selected wet chemical and similar equipment (the "**Products**") for a term of five years commenced from January 2022. The New Customer 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 set up a foreign-invested project company (the "**Production Base**") with a registered capital of US$30 million in February 2022, 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 a purchase order (the "**PO**") from a customer (the "**Customer**"), which is based in Guangdong Province. The Customer was co-founded by a domestic auto manufacturer and is principally engaged in the manufacturing and development of silicon carbide (SiC) wafers in the automotive grade and those used in 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 two units of single wafer wet processing equipment (單片濕式處理設備) (the "**Cube Product**"), a key product of the Company, from PDT Shanghai. The Cube Product specializes on SiC backside cleaning application. Compared with other similar products in the market, the key advantage of the Cube Product 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 the cost of ownership under the same footprint. Each unit is expected to be delivered to the Customer in each of the fourth quarter of 2022 and 2023, respectively.

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 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 Rena Shanghai and Rena Yiwu (the "**Target Companies**") at a consideration of EUR50 million (equivalent to approximately HK$412.08 million) (the "**Acquisition**"). All the conditions precedent to the Acquisition have been fulfilled and the completion took place on 18 August 2022 in accordance with the terms and conditions of the Sale and Purchase Agreement. Upon completion, the Company holds the entire equity interest in the Target Companies, and the financial results of the Target Companies have therefore been consolidated into the financial statements of the Company.

Since the completion of the Acquisition on 18 August 2022, the Company has received purchase orders of a total of 58 sets (during the Reporting Period: 27 sets) of solar cell equipment from customers, who are top-tier players in the solar cell industry in China. The products include BatchTex N600, which is designed for application in wafer surface texturing process that increases wafer surface roughness and enhances light trapping; and InOxSide NIAK3+, which is designed for P-N junction removal at the wafer edge as well as rear side polishing.

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 New Customer to continue the manufacturing of the cleaning equipment for solar cell 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 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; 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.

1.2 Development in CVD equipment business

CVD equipment market is estimated to account for 10% of global WFE market or US$10 billion in 2022. Chinese domestic market dominates approximately 25.8% of global market, which represents more than US$2.5 billion. Within the domestic market, Chinese end-customers purchase around 50% of CVD equipment, which is an addressable market of more than US$1.2 billion for the Company. The Company's initial product in CVD equipment is thermal CVD equipment. The thermal CVD equipment is applied in the thin film deposition process in semiconductor equipment manufacturing, and it is critical in those manufacturing equipment adopting such process. According to market research institutions, the thin film deposition equipment accounts for 18% of the total market share of semiconductor equipment, the size of which, on a global scale, exceeded US$17 billion in 2021. With the advancement of chip technology along with the complexity of its structure, the compound annual growth rate from 2017 to 2020 of the thin film deposition equipment market reached 11.2%, which is expected to maintain the momentum. The CVD equipment, as the most widely adopted thin film deposition equipment, accounts for 66% of the total market share of the thin film deposition equipment, namely approximately 10% of the total market share of semiconductor equipment, and its global market size exceeded US$11 billion in 2021.

According to market research institutions, the localization rate of the CVD equipment in 2020 was low; while the global CVD equipment market, featuring a high barrier to entry, is highly concentrated, exemplified by the top 3 players taking up 70% of the global market share.

Based on the above, the Company is of the view that the CVD equipment business is endowed with a robust driving force for domestic substitution and a broad market space.

The Board is pleased to announce that the launch of the Company's CVD equipment business proceeded as planned and initially RMB140 million is committed to this business. The scope of the planned CVD products includes several types of advanced thermal CVD equipment for manufacturing 12-inch wafer and the Company is expected to enter commercial production stage for those CVD products in 2024.

The Board considers this diversification and expansion plan will allow the Company to expand its business portfolio penetrating 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 the enhancement of its financial performance by cooperating and leveraging the expertise and networks of the other team members. The Board considers that the new business development is in the best interests of the Company and its shareholders (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, 13 June 2022, 18 August 2022 and 12 October 2022 published on the websites of the Company (www.pdt-techs.com) and The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") (www.hkexnews.hk).

2. *Operations and business updates in oil and gas industry*

2.1 *Operations in the 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.

In the first three quarters of 2022, the international crude oil supply and demand remained in a tight balance, with the average Brent crude oil futures prices at US$102.5 per barrel, up 51.06% from the same period last year. The increase in crude oil production by the Organization of the Petroleum Exporting Countries (OPEC) was lower than the original plan, and the supply was lower than expected. Geopolitical factors such as the Russo-Ukrainian conflict offset the impact of factors such as the frequently changing COVID-19 pandemic on the demand side, and crude oil inventories were at historically low levels. Crude oil market prices rose. Despite the oil and gas industry continues to rebound, attention should be drawn to the impact of the energy industry structure adjustment in various countries around the world, the transition to low-carbon and new energy, and other factors on oil price. The Company will pay close attention to the market, strictly control risks, and do its best to maintain and increase the value of assets financially and operationally.

2.1.1 Hongbo Mining

Hongbo Mining, an upstream oil and gas portfolio company, is the Company's wholly-owned subsidiary and is engaged in the 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 will expire on 3 April 2027, and the current exploration permit for Block 378 will expire on 20 February 2026.

Hongbo Mining carried out maintenance and fracturing work on existing production wells to ensure stable oil production in 2021. In light of the current high oil price environment starting from the end of 2021, Hongbo Mining started drilling wells since April 2022 and has successfully completed 8 new wells as of the date of this interim results announcement. As of 30 September 2022, all the production wells, reserves and resources estimated by Hongbo Mining were located in Block 212.

As a result of the drilling of new production wells during the Reporting Period, Hongbo Mining's oil production volume increased by approximately 1.7% to 154,312 barrels; its gross and net oil sales volume increased by approximately 2.2% to 154,810 barrels and 123,848 barrels, respectively. As the average crude oil price increased significantly, the 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 52.2% to approximately HK$124.1 million and HK$99.3 million, respectively, compared to those for the six months ended 30 September 2021.

During the Reporting Period, Hongbo Mining successfully drilled 8 new wells under the current high oil price environment, therefore, the depletion increased and as a result, the average unit production cost increased by HK$28 per barrel, or approximately 8.8%, from HK$326 per barrel (equivalent to US$41.5 per barrel) for the six months ended 30 September 2021 to HK$354 per barrel (equivalent to US$45.2 per barrel) for the Reporting Period. Since there was less maintenance and fracturing work performed on existing production wells during the Reporting Period, the average unit production cost before depreciation and amortisation decreased by HK$15 per barrel, or approximately 9.7%, from HK$154 per barrel (equivalent to US$19.6 per barrel) for the six months ended 30 September 2021 to HK$139 per barrel (equivalent to US$17.7 per barrel) for the Reporting Period.

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

	Six months ended 30 September	
	2022	2021
Average daily gross production volume (barrels)	**857**	843
Average daily gross sales volume (barrels)	**860**	841
Average unit production cost before depreciation and amortisation (HK$ per barrel)	**139**	154
Average unit production cost (HK$ per barrel)	**354**	326
Average unit selling price (HK$ per barrel)	**853**	538

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

	Summary of expenditures incurred for the six months ended 30 September			
	2022		2021	
	Number	**Cost *(HK$'000)* (Unaudited)**	Number	Cost *(HK$'000)* (Unaudited)
Wells drilled during the period				
Oil producers	**8**	**31,289**	–	–
Fracturing workover	**4**	**2,840**	6	5,634
Geological and geophysical costs	**–**	**650**	–	427

2.1.2 Stonehold

The Company completed the investment in Stonehold (the "**Stonehold Investment**") in September 2017. An accumulated amount of US$170.0 million (approximately HK$1,328.3 million) was released to Stonehold in 2017 as a term loan for the purpose of financing the acquisition of its unconventional shale oil and gas assets (the "**Target Assets**") pursuant to the credit agreement entered into between the Company and Think Excel Investments Limited, a wholly-owned subsidiary of the Company.

In March 2022, the Company 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.

The Disposal, which was completed on 15 July 2022, is selected at a good timing given the stricter 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. The Company is expected to receive approximately HK$511.9 million in total after the completion of the Disposal, among which approximately HK$478.2 million had been already received. Before the completion of Disposal, the Company had received amounting to approximately HK$275.9 million interest in cash and recorded loss of fair value change from the Stonehold Investment amounting to approximately HK$540.5 million in total. Such loss 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.

For details of Stonehold Investment 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 published on the websites of the Company (www.pdt-techs.com) and the Stock Exchange (www.hkexnews.hk).

2.2 Business updates 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.

From January to August 2022, domestic natural gas consumption was 242.3 billion cubic meters, representing a year-on-year increase of 0.79%. The output of natural gas was 143.7 billion cubic meters, representing a year-on-year increase of 5.29%; the pipeline gas import volume was 42.5 billion cubic meters, representing a year-on-year increase of 8.47%; the LNG import was 57.2 billion cubic meters, representing a year-on-year decrease of 24.92%. Overall, due to high international LNG prices and sluggish domestic demand, Chinese LNG importers have been selling excess inventory to Europe and making huge profits from the sales. LNG imports have therefore dropped significantly, while pipeline gas imports and natural gas production have declined slightly. Growth, supply and demand are in a tight balance. The Company's LNG investment portfolio was also affected by rising prices, and measures such as the aforementioned resale were taken to optimize performance.

2.2.1 JOVO

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.

In the first three quarters of 2022, JOVO actively built a dual resource pool of "sea gas + land gas", adjusted and optimized the operation model, improved the efficiency of resource allocation, optimized the energy cost of customers, and achieved a steady increase in profitability. As a result, JOVO achieved operating income of RMB20,208,063,000, a year-on-year increase of 73.62%, and realized a net profit attributable to shareholders of RMB940,784,700, a year-on-year increase of 54.47%.

The Company held 12,824,428 shares in JOVO after the capitalization of capital reserve of 4 shares for every 10 shares on 18 May 2022, and has sold 9,991,732 shares on the market at an average price of RMB21.62/share since 30 May 2022, when such shares were available for trading upon expiry of the lock-up period. Therefore, investment income of approximately HK$10.1 million has been realized during the Reporting Period. As at 30 September 2022, the closing market price of JOVO was RMB27.03/share, and the Company held 2,832,696 shares in JOVO, the market value of which amounted to RMB76.6 million (equivalent to approximately HK$84.7 million).

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 not only drives JOVO to establish a more advanced corporate governance structure, and provides a platform to access more financial resources for its future development, but 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.

2.2.2 JUSDA Energy

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 (the "**Management**"), 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 plans to launch the project within 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 two 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 retained trade volume. Given that the international LNG spot price is at a high level currently and is expected to remain high for some time, the third batch of transshipment contracts are currently being negotiated with upstream and downstream customers.

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 published on the websites of the Company (www.pdt-techs.com) and the Stock Exchange (www.hkexnews.hk).

3. *Business updates in mobility services business*

3.1 Weipin

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 published on the websites of the Company (www.pdt-techs.com) and the Stock Exchange (www.hkexnews.hk).

Prior to 21 June 2021, the Company controlled the majority voting right of the board of directors of Weipin, and thus Weipin 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 results 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 published on the websites of the Company (www.pdt-techs.com) and the Stock Exchange (www.hkexnews.hk).

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, representing 25% of total daily order volume and still growing.

The Mobility OPCOs have signed information service cooperation agreements with the major aggregation traffic platforms on the mobility market, including "Didi", "Huaxiaozhu", "Baidu" and "Tong Cheng", etc. 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.

Weipin, through the Mobility OPCOs, is operating in 108 major cities of China, including 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 since 2020. The Company believes that Weipin's daily orders will recover gradually along with the intra-city transportation demand restore.

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 published on the websites of the Company (www.pdt-techs.com) and the Stock Exchange (www.hkexnews.hk).

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 requires funds for general working capital purposes.

The following table summarizes the intended use of proceeds and the actual use of proceeds as at 30 September 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 30 September 2022 *HK$'000*	Unutilized Net Proceeds as at 30 September 2022 *HK$'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 30 September 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 pan-semiconductor will be a major global development trend. The pan-semiconductor business in cleaning equipment for semiconductor and solar cell which focuses on technology and solutions providing high productivity to customers is a key area where the Company now puts efforts and resources.

Geopolitical factors are exerting an increasing influence on the semiconductor industry, which can be primarily seen from the weakened service capability of the international supply chain for customers from the Chinese semiconductor industry. Such impact may extend to more regions and raw materials. In the short term, China's advanced semiconductor wafer manufacturing capacity will be directly impacted, but to a lesser extent for the Company in this regard. From another perspective, such a situation is expected to facilitate faster growth in China's mature manufacturing capacity from 2024 onwards and strengthen greater autonomy and innovation throughout the semiconductor industry chain in China, which will provide the Company with more market space and better access to sizable customers.

The solar cell industry has been a key strategic industry being developed in China and is expected to keep prosper in the long term. The development of the solar cell industry is driven by the levelized cost of energy (LCOE) and the Incident-Photon-to-electron Conversion Efficiency (IPCE). The opportunities for the Company in the solar cell equipment sector lie in, on the one hand, continued market expansion and innovation along with the expansion of capacity in existing technology lines such as Topcon, and on the other hand, technology reserve in a prospective manner for new technology lines in the future.

The Company's production base which equips with semiconductor and solar cell cleaning equipment production lines in Xuzhou was put into operation in May 2022 and the solar cell wet processing equipment was rolled out on 2 June 2022. The Company has received purchase orders from several customers for a total of 55 sets (Reporting Period: 27 sets) of solar equipment and 4 sets of semiconductor equipment. In addition to the existing wet chemical texturing processing equipment, the Company is developing copper plating equipment for copper metallization screen printing as an alternative to silver electric contacts. Such devices under development are expected to account for approximately US$350 million or 27% of the photovoltaic equipment market as they provide a cost-effective alternative processing solution. In addition, the Company believes that the CVD equipment business will provide a strong impetus for domestic substitution, as well as a broad market space. The Company will carry out the CVD equipment business as planned and has initially invested RMB140 million into such business.

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 a significant market share of cleaning equipment in mainland China in the short to medium term and significant market share of the global cleaning equipment and PECVD equipment in the next decade. The objectives of the Company in the short to medium term include: 1. consolidating the existing business and expanding the market share in photovoltaic market; 2. focusing on developing in cleaning market for semiconductor to gain a foothold; and 3. launching CVD equipment with good technical performance in the middle term.

In terms of crude oil market, entering the fourth quarter of 2022, with the arrival of winter consumption peak and the boost of demand for GTL, the demand side of crude oil will be significantly improved. According to IEA's estimates, there will be an increase of 1.7 million barrels/day in 2023. On the supply side, OPEC and the United States have reached their production peak, and will not be able to increase production substantially in the short term. At the same time, OPEC's calling for high oil prices will continue. Crude oil supply from Russia is highly uncertain due to the ban on Russian oil imports taking effect from December 2022. As the supply and demand sides continue to maintain a tight balance, the supply and demand balance sheet will enter the de-stocking stage again, and the crude oil prices will remain at high levels. 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 assets. At the same time, the Company will focus on maintaining asset liquidity and increasing future production under the expectation of subsequent high oil prices.

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 pan-semiconductor 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

Comparing the six months ended 30 September 2021 to the six months ended 30 September 2022

Revenue

The revenue represents:

1) *Sales of equipment*

   The sales of equipment represented sales of solar cell cleaning equipment. The Company sold 73 sets of equipment and therefore recognized revenue amounting to approximately HK$333.5 million for the Reporting Period.

2) *Sales of crude oil*

   The crude oil net sales from Hongbo Mining. It increased by HK$34.1 million, or 52.3%, from HK$65.2 million for the six months ended 30 September 2021 to HK$99.3 million for the Reporting Period.

   The increase was mainly due to the significant increase in average unit selling prices and the slight increase 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 for the Reporting Period increased to approximately HK$863 per barrel as compared to approximately HK$546 per barrel for the six months ended 30 September 2021. The average unit selling price of Hongbo Mining's crude oil increased to approximately HK$853 per barrel for the Reporting Period from HK$538 per barrel for the six months ended 30 September 2021, which was consistent with the trend of global oil prices. On the other hand, Hongbo Mining's net sales volume increased to 123,848 barrels for the Reporting Period from 121,128 barrels for the six months ended 30 September 2021, which was mainly due to new wells drilled during the Reporting Period. For further details on the increase of the production volume, please refer to "Business Review — Hongbo Mining".

Cost of sales

Cost of sales represents:

1) *Cost of sales of equipment*

The cost of sales of equipment was approximately HK$317.3 million.

(2) *Cost of sales of crude oil*

The cost of sales of crude oil from Hongbo Mining increased by HK$4.1 million, or approximately 10.7%, from HK$49.4 million for the six months ended 30 September 2021 to HK$54.7 million for the Reporting Period. The increase was mainly due to the increase of the depreciation and amortisation caused by the new wells drilled during the Reporting Period. For further details on the increase of the production volume, please refer to "Business Review — Hongbo Mining".

Gross Profit

The significant increase in the gross profit was mainly due to the cumulative effects of factors as discussed above in this section.

Investment income/(loss)

Investment income/(loss) for the Reporting Period mainly includes the following:

1) the fair value gain from JOVO investment of HK$23.0 million from 1) realized gain from the sales of 9,991,732 shares on the market at an average price of RMB21.62/share since 30 May 2022, and approximately HK$10.1 million investment gain has been realized; 2) unrealized gain from the 2,832,696 shares on hand as at 30 September 2022; and 3) dividend income from JOVO. The closing market price of JOVO as of 30 September 2022 was RMB27.03/share, and the Company recognized HK$12.9 million investment gain;

2) the gain recorded upon the disposal of Stonehold Investment, which was completed on 15 July 2022, the Company has and is expected to receive approximately HK$511.9 million in total and an income amounting to approximately HK$20.3 million recognized accordingly;

3) the loss from the fund investment of HK$13.9 million for the Reporting Period;

4) the share of losses of Weipin as an associate of HK$6.6 million for the Reporting Period; and

5) the net fair value loss from share of losses of an associate and hedging of a totaling loss of HK$3.6 million.

Administrative expenses

The administrative expenses from continuing operations increased by HK$28.9 million, or approximately 93.7%, from HK$30.8 million for the six months ended 30 September 2021 to HK$59.7 million for the Reporting Period. The increase was mainly due to the rapid development and expansion of the Company's new pan-semiconductor business in semiconductor and solar industry during the Reporting Period and the corresponding staff costs (including the awarded shares granted to its employees recognized as administrative expense amounting to approximately HK$7.2 million) and an increase in professional service fees accordingly. It also includes the amortization of intangible assets recognized from the acquisition of the solar business amounted to HK$2.1 million.

Research and development expenses

The R&D expenses related to the rapid development and expansion of the Company's new pan-semiconductor business in semiconductor and solar industry. It includes staff costs, awarded shares granted to its employees recognised as R&D expenses and expenses incurred for R&D for 6 to 12 inches single wafer clean equipment and high WPH solar wet equipment, which shall become the major products of the Company.

Taxes other than income tax

Taxes other than income tax increased by HK$15.8 million, or approximately 270.6%, from HK$5.9 million for the six months ended 30 September 2021 to HK$21.7 million for the Reporting Period, which was mainly due to the increase in resources tax levied on the sale of crude oil attributable to the revenue increase of Hongbo Mining.

Exploration expenses, including dry holes

The exploration expenses increased by HK$0.2 million, or approximately 52.0%, from HK$0.4 million for the six months ended 30 September 2021 to HK$0.6 million for the Reporting Period, which was mainly due to the increase of exploration activities.

Net finance (cost)/income

The net finance cost of the continuing operations increased significantly from a net finance income of HK$1.4 million for six months ended 30 September 2021 to a net finance cost of HK$11.8 million for the Reporting Period due to the foreign exchange loss as a result of the depreciation of RMB against HKD.

Loss before taxation from continuing operations

Loss before taxation from continuing operations decreased by HK$244.8 million from a loss of HK$277.4 million for the six months ended 30 September 2021 to a loss of HK$32.6 million for the Reporting Period, 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$8.8 million, or approximately 534.8% from HK$1.6 million for the six months ended 30 September 2021 to HK$10.4 million for the Reporting Period. It was mainly due to the increase of crude oil price and that Hongbo Mining made relevant tax payment to the authority during the Reporting Period.

Loss for the period from continuing operations

Loss for the period from continuing operations decreased significantly by HK$236.0 million from a loss of HK$279.0 million for the six months ended 30 September 2021 to a loss of HK$43.0 million for the Reporting Period 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, please refer to Note 5 of the section headed "Financial Summary".

EBITDA

The management of the Company prepared a reconciliation of EBITDA to loss before taxation from continuing operations, 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.

	Six months ended 30 September	
	2022	2021
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Loss before taxation from continuing operations	**(32,610)**	(277,372)
Add: Interest expenses	**729**	2,435
Add: Depreciation and amortisation	**39,906**	28,072
EBITDA from continuing operations	**8,025**	(246,865)

The EBITDA from continuing operations changed from a loss of HK$246.9 million for the six months ended 30 September 2021 to a profit of HK$8.0 million for the Reporting Period. The significant increase of EBITDA was primarily attributable to that: (1) investment income of approximately HK$20.3 million was recognized from the Stonehold Investment during the Reporting Period upon Stonehold's disposal of its underlying assets in July 2022 (for the six months ended 30 September 2021: investment loss of HK$294.0 million); and (2) the net loss was partially offset by new gross profit contribution from the pan-semiconductor business since September 2022 and the increase in gross profit from Hongbo Mining's crude oil sales business totaling HK$45 million.

SEGMENT INFORMATION

The Group have presented the following three reportable segments. Details of the Group's reportable segments are as follows:

- Pan-semiconductor: this segment operates in research and development and manufacturing in both solar cell equipment and semiconductor equipment.

- Oil and gas and others: this segment invests in and operates an upstream oil and gas business, LNG business, and generates income from processing of oil and gas and LNG, as well as investing and managing energy-related and other 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 platform and generates income from rendering of mobility services.

The Group was deemed to dispose of the mobility services businesses segment which is principally engaged in online ride-hailing services to the passengers through aggregation traffic platform 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.

	Continuing operations				Discontinued operation			
					Mobility services			
	Pan-semiconductor		Oil and gas and others		businesses		Total	
Six months ended 30 September	**2022**	2021	**2022**	2021	**2022**	2021	**2022**	2021
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Revenue from external customers	**333,458**	–	**99,288**	65,212	**–**	751,157	**432,746**	816,369
Investment income/(loss)	**–**	–	**21,866**	(257,805)	**–**	–	**21,866**	(257,805)
Reportable segment profit/(loss) (adjusted EBITDA)	**(26,079)**	–	**34,104**	(246,625)	**–**	68,831	**8,025**	(177,794)
Depreciation and amortisation	**(4,600)**	–	**(35,306)**	(28,072)	**–**	(23,998)	**(39,906)**	(52,070)
Interest income	**37**	–	**4,032**	3,440	**–**	99	**4,069**	3,539
Interest expense	**(399)**	–	**(330)**	(2,435)	**–**	(461)	**(729)**	(2,896)
Impairment loss on trade receivables	**–**	–	**(572)**	–	**–**	(4,394)	**(572)**	(4,394)
As at 30 September/31 March 2022								
Reportable segment assets	**905,747**	–	**2,606,359**	2,873,106	**–**	–	**3,512,106**	2,873,106
Reportable segment liabilities	**(720,774)**	–	**(273,046)**	(250,771)	**–**	–	**(993,820)**	(250,771)

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

LIQUIDITY AND FINANCIAL RESOURCES

The Group finances 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 "Business Review — Use of proceeds from the Foxconn Subscription" in this interim results announcement.

The cash and cash equivalents, time deposits and restricted cash are mostly denominated in US$, HK$ and RMB. As at 30 September 2022, the Group had unpledged cash and bank deposits and restricted cash of HK$1,088.4 million (31 March 2022: HK$929.3 million).

As at 30 September 2022, the Group had outstanding loans of HK$6.6 million (31 March 2022: HK$7.4 million).

Save as the information disclosed above or otherwise in this interim results announcement, the Group 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 30 September 2022.

The Group has not used any financial instrument to hedge potential fluctuation in interest rates and exchange rates.

As at 30 September 2022, the gearing ratio (ratio of the sum of total bank and other borrowings to the total assets) was approximately 0.2% (31 March 2022: 0.3%).

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 and others" segment mainly 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. 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 .

During the Reporting Period, 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 30 September 2022, the Company was in possession of such swaps.

Currency risk

The Group is 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 Group currently does not engage in hedging activities designed or intended to manage foreign exchange rate risk. The Group 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 Group 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 Group arises primarily from interest-bearing borrowings. The Group regularly reviews and monitors the mix of fixed and variable rate bank and other borrowings in order to manage the interest rate risk.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's 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 Group's credit risk arising from cash at bank is limited because the counterparties are state-owned/controlled or listed bank and well-known financial institutions which the Directors assessed the credit risk to be insignificant.

The Group does not provide any guarantees which would expose the Group to credit risk.

The Group constantly evaluates credit risk for trade 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 trade receivables amounting to HK$0.6 million recognised for the Reporting Period was mainly from a customer of Hongbo Mining.

The Company recorded an expected credit losses for other receivables of HK$46.445 million for the year ended 31 March 2022, which was mainly related to a loan receivable due from a third party. On 26 January 2022, Giant Charm Investment Limited (the "**Lender**"), a wholly owned subsidiary of the Company, entered into a loan agreement (the "**Loan Agreement**") with Soview International Fund LP (the "**Borrower**"), which is a fund established by a third party general partner and limited partners, including the Lender. The purposed of such fund (i.e. the Borrower) is to identify, analyse, invest in, manage, otherwise deal with and realize investments directly or indirectly in equity and equity-linked securities, of privately-held companies, with a primary focus on manufacturing companies, businesses and ventures engaging in oil and gas exploration or production equipment, new energy facilities, semiconductor devices and products. For details of the Borrower, please refer to the announcement of the Company dated 27 March 2021.

Pursuant to the Loan Agreement, the Lender agreed to provide the Borrower with a loan in the principal amount of US$5,609,500 for the purpose of payment of earnest money in accordance with the terms of the sale and purchase agreement regarding a proposed acquisition entered into between the Borrower and the third party seller, the target of which, as evaluated and considered by the Company, was suitable for its competitive strengths in the solar cell industry and a good opportunity for the Company to expand its investment in the advanced manufacturing in semiconductor and solar cell industries. However, such proposed acquisition was subsequently terminated due to the non-satisfaction of relevant regulatory approval conditions by the parties. As such, the earnest money was retained by the seller as a break fee to compensate for any costs, expenses and other damages incurred in connection with the proposed acquisition. Nevertheless, by virtue of the established relationship between the Company (through the Borrower) and such third party seller throughout the process of such proposed acquisition, the Company went on alternatively and entered into agreements on manufacturing and supply and licensing arrangements with, and eventually acquired two companies carrying out solar business from the affiliates of such seller, and the Company is of the view that such transactions are of long-term benefits to, and in the interests of, the Company and its Shareholders as a whole. For further details thereof, please refer to the Company's announcements dated 28 January 2022, 13 June 2022 and 18 August 2022.

The loan bears an annual compound interest rate of 2% from the date on which it was disbursed to the Borrower, and shall be repaid by the Borrower in full on the date which falls the third day following the Lender's written demand. The Directors evaluated the credit risk regarding such loan to the Borrower and noted that Borrower had net liabilities attributable to the partners on its financial statements as at 31 March 2022 mainly due to the loss of earnest money. After taking into account of the Borrower's current ability to pay, a full expected credit loss related to the loan and other receivables due from the Borrower amounting to HK$46.445 million was recognised for the year ended 31 March 2022. Notwithstanding the above, the Company still intends to work with the Borrower with a view to exploring possible ways to collect the money back from the Borrower, including but not limited to reduction of management fees, etc. to set off the effect of the loss.

Equity price risk

The Group was 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 30 September 2022, the Group held 2,832,696 shares in JOVO 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 30 September 2022, there was no investment held by the Group the value of which was more than 5% of the total assets of the Group.

MAJOR ACQUISITIONS AND DISPOSALS

Acquisition of Target Companies Carrying out Solar Business

On 13 June 2022, the Company and Valuevale (a wholly-owned subsidiary of the Company) (the "**Purchaser**") entered into a sale and purchase agreement (the "**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 Rena Shanghai and Rena Yiwu (the "**Target Companies**"), together with some related business contracts, IP licensing arrangements and non-competition arrangements, at an aggregate consideration of approximately EUR57 million (the "**Acquisition**").

On 18 August 2022, all the conditions precedent to the Acquisition have been fulfilled and the completion of the Sale and Purchase Agreement (the "**Completion**") took place on the same day in accordance with the terms and conditions of the Sale and Purchase Agreement. Upon Completion, the Company holds the entire equity interest in the Rena Shanghai and Rena Yiwu, the financial results of which have therefore been consolidated into the financial statements of the Company.

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

(a) The 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 Company's 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 medium 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 cell equipment and semiconductor equipment as a whole.

For details, please refer to the announcements of the Company dated 13 June 2022 and 18 August 2022 published on the websites of the Company (www.pdt-techs.com) and the Stock Exchange (www.hkexnews.hk). Save as disclosed above, during the Reporting Period, there was no major acquisition or disposal by the Group.

CHARGES ON ASSETS OF THE GROUP

As at 30 September 2022, Hongbo Mining's land, buildings, machinery and equipment amounting to approximately HK$84.1 million had been pledged as the security to secure financing facilities granted to Hongbo Mining (31 March 2022: HK$94.4 million).

CONTINGENT LIABILITIES

So far as known to the Directors, as at 30 September 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 30 September 2022, the Group had the capital commitment of HK$11.2 million (31 March 2022: HK$16.9 million) contracted but not provided for the acquisition of property, plant and equipment.

SHARE AWARD SCHEME

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

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 four tranches as follows: (i) 20% shall be vested on 15 August 2022; (ii) 20% shall be vested on 15 July 2023; (iii) 25% shall be vested on 15 July 2024; and (iv) the remaining 35% shall be vested on 15 July 2025.

On 1 August 2022, 28,509,000 Awarded Shares, representing 0.38% of the total shares of the Company then in issue, were granted to 14 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) 2,200,000 Awarded Shares shall be vested in four tranches as follows: (i) 20% shall be vested on 15 August 2022, (ii) 20% shall be vested on 15 July 2023, (iii) 25% shall be vested on 15 July 2024, and (iv) the remaining 35% shall be vested on 15 July 2025; and (2) the remaining 26,309,000 Awarded Shares shall be vested in three tranches as follows: (i) 30% shall be vested on 15 July 2023, (ii) 30% shall be vested on 15 July 2024, and (iii) the remaining 40% shall be vested on 15 July 2025.

On 27 September 2022, 61,415,094 Awarded Shares, representing 0.81% of the total shares of the Company then in issue, were granted to Dr. LIU Erzhuang (the chairman of the Board and the Chief Executive Officer of the Company) under the specific mandate as approved at the special general meeting of the Company held on 27 September 2022 pursuant to the terms of the Share Award Scheme at nil consideration. The 61,415,094 Awarded Shares shall be vested in five equal tranches on 8 August 2023, 8 August 2024, 8 August 2025, 8 August 2026, and 8 August 2027, respectively.

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.

The details of the Awarded Shares since the Adoption Date up to 30 September 2022 are as follows:

		Number of Awarded Shares					
Name of Grantees	**Date of Grant**	**As at 31 March 2022**	**Granted during the Reporting Period**	**Returned during the Reporting Period**	**Vested during the Reporting Period**	**Forfeited/ Lapsed during the Reporting Period**	**As at 30 September 2022**
Connected Grantee							
Dr. LIU Erzhuang	7 October 2021	35,000,000 *(Note 1)*	–	25,000,000	12,000,000	–	48,000,000
	27 September 2022	–	61,415,094	–	–	–	61,415,094
Non-connected Grantees							
9 employees of the Company and its subsidiaries *(Note 2)*	7 October 2021	35,000 *(Note 2)*	–	–	–	–	35,000 *(Note 2)*
15 employees of the Company and its subsidiaries *(Note 3)*	14 January 2022	17,379,000	–	–	3,475,800	490,000 *(Note 3)*	13,413,200 *(Note 3)*
14 employees of the Company and its subsidiaries	1 August 2022	–	28,509,000 *(Note 4)*	–	440,000	–	28,069,000
Total		**52,414,000**	**89,924,094**	**25,000,000**	**15,915,800**	**490,000**	**150,932,294**

Note 1: As agreed by Dr. Liu, the vesting dates of the 60,000,000 Awarded Shares granted on 7 October 2021 are amended as follows: the 60,000,000 Awarded Shares shall be vested in five equal tranches on 30 June 2022, 30 June 2023, 30 June 2024, 30 June 2025 and 30 June 2026, respectively.

Note 2: 50,000 Awarded Shares were vested immediately following the date of grant (i.e. 7 October 2021), which are subject to a lock-up period and will be equally released in five tranches from 2022 to 2026. 5 of the 9 employees, prior to the relevant vesting date, ceased to be eligible participants under the Share Award Scheme, therefore the remaining 35,000 Awarded Shares were not vested on the relevant vesting date but became returned shares for the purposes of the Share Award Scheme.

Note 3: One of the 15 employees, prior to the relevant vesting date, ceased to be an eligible participant under the Share Award Scheme, therefore all of his 490,000 Awarded Shares were not vested on the relevant vesting date but became returned shares for the purposes of the Share Award Scheme.

Note 4: The 28,509,000 ordinary shares were issued and allotted on 11 October 2022 pursuant to the Share Award Scheme under general mandate granted at the annual general meeting of the Company held on 20 August 2021.

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, 14 January 2022, 1 August 2022 and 27 September 2022 and the circular of the Company dated 6 September 2022 published on the websites of the Company (www.pdt-techs.com) and the Stock Exchange (www.hkexnews.hk).

INTERIM DIVIDENDS

The Directors do not recommend the payment of an interim dividend for the Reporting Period (31 March 2022: 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 during the Reporting Period.

EMPLOYEES

As at 30 September 2022, the Company and its subsidiaries had 283 (31 March 2022: 101) employees in Hong Kong and the PRC. During the Reporting Period, the total staff costs (including the Directors' emoluments and equity settled share-based compensation amounted to approximately HK$11.2 million) amounted to HK$46.6 million (for the six months ended 30 September 2021: HK$35.0 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.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Company and its subsidiaries did not have any other future plans for material investments or capital assets as at 30 September 2022. The Company will continue to seek new investment opportunities to broaden its revenue base and profit potential and maximise shareholders' value in the long term.

AUDIT COMMITTEE AND REVIEW OF THE 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 Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (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. Currently, Mr. CHAU Shing Yim David is the chairman of Audit Committee and the other two members are Mr. SHI Cen and Mr. CAO Xiaohui. 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 with the management of the Company the accounting principles and practices adopted by the Company and discussed the risk management and internal controls and financial reporting matters, including a review of the unaudited consolidated interim results of the Company and its subsidiaries for the six months ended 30 September 2022 with no disagreement on the accounting treatment adopted by the Company.

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 during the Reporting Period.

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 Corporate Governance Code (the "**CG Code**") set out in Appendix 14 to the Listing Rules 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 the Reporting Period, except for the code provision C.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 the period from 1 April 2022 to 13 May 2022, Mr. WANG Jingbo ("**Mr. WANG**") was both the then 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.

On 13 May 2022, Dr. LIU Erzhuang ("**Dr. LIU**") was appointed as the Chief Executive Officer of the Company, and Mr. WANG ceased to act as the Chief Executive Officer of the Company on the same day. The Company has complied with code provision C.2.1 of the CG Code for the period from 13 May 2022 to 19 August 2022.

With effect from 19 August 2022, Mr. WANG resigned as a Director and chairman of the Board and Dr. LIU was appointed as the chairman of the Board. Since then, the roles of chairman of the Board and Chief Executive Officer of the Company are borne concurrently by Dr. LIU to improve the efficiency of decision-making and execution process of the Company. Accordingly, the Company has deviated from code provision C.2.1 of the CG Code. Notwithstanding the above, the Board believes that the balance of power and authority is adequately ensured by the operation of the Board, which comprises experienced talents with a sufficient number of independent non-executive Directors, and therefore, the performance of the roles of the chairman of the Board and the Chief Executive Officer of the Company concurrently by Dr. LIU will not impair the balance of power and authority between the Board and the management of the Company and the deviation from code provision C.2.1 of the CG Code is appropriate in such circumstance.

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 standards set out in the Model Code throughout the Reporting Period.

CHANGES IN INFORMATION OF DIRECTORS

Save as disclosed in this interim results announcement, there is no other change in information of the Directors required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

CHANGE OF DIRECTORS AND SENIOR MANAGEMENT

With effect from the conclusion of the annual general meeting of the Company held on 19 August 2022, Mr. WANG retired as an executive Director and also ceased to be the chairman of the Board and a member of the nomination committee of the Company (the "**Nomination Committee**"), and Mr. LIN Dongliang retired as a non-executive Director and ceased to be a member of the Audit Committee. Dr. LIU and Mr. TAN Jue were appointed as new executive Directors with effect from 19 August 2022.

With effect from 21 October 2022, Mr. SHONG Hugo has resigned as a non-executive Director and a member of the Audit Committee; and Mr. CAO Xiaohui has been appointed as a non-executive Director and a member of the Audit Committee on the same day.

Save as disclosed above, there was no material change in the Directors and senior management of the Company during the Reporting Period and up to the date of this interim results announcement.

SUBSEQUENT EVENTS AFTER THE REPORTING PERIOD

Except for as disclosed above and elsewhere in this interim results announcement, there are no material subsequent events undertaken by the Company after 30 September 2022 and up to the date of the interim results announcement.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This announcement is published on the Stock Exchange's website at www.hkexnews.hk and the Company's website at www.pdt-techs.com.

The interim report of the Company for the Reporting Period containing all the information required by Appendix 16 to the Listing Rules will be despatched to the Shareholders and published on the Stock Exchange's website and the Company's website in due course.

By Order of the Board
Productive Technologies Company Limited
Liu Erzhuang
Chairman and Chief Executive Officer

Hong Kong, 25 November 2022

As at the date hereof, the Board comprises seven Directors, of whom three are executive Directors, namely Dr. Liu Erzhuang (Chairman), Mr. Tan Jue and Mr. Liu Zhihai; one is non-executive Director, namely Mr. Cao Xiaohui; and three are independent non-executive Directors, namely Ms. Ge Aiji, Mr. Shi Cen, and Mr. Chau Shing Yim David.

* *For identification purposes only*