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)

FINAL RESULTS FOR THE YEAR ENDED 31 MARCH 2023

The board (the "**Board**") of directors (the "**Directors**") of Productive Technologies Company Limited (the "**Company**") is pleased to announce the consolidated results of the Company and its subsidiaries (the "**Group**") for the financial year ended 31 March 2023 ("**FY2022**") together with the comparative figures for the previous year.

CORPORATE PROFILE

The Group 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 the People's Republic of China (the "**PRC**").

During the FY2022, the Company has commenced businesses in 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**"), Productive Equipment Technologies (Shanghai) Co., Ltd.* (上海普達特設備科技有限公司), formerly known as Shanghai Rena Trading Co., Ltd.* (上海瑞耐貿易有限責任公司) ("**Rena Shanghai**"), Rena Solar Technologies (Yiwu) Co., Ltd.* (瑞納太陽能科技(義烏)有限公司) ("**Rena Yiwu**"), and Xinkai Semiconductor Equipment (Xuzhou) Co., Ltd.* (芯愷半導體設備(徐州)有限責任公司) ("**Xinkai**"). 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 engaged in sale of crude oil. The principal business of the major subsidiaries and investments portfolio companies are set out as below:

- PDT Shanghai, established on 14 January 2022, is a wholly-owned subsidiary of the Company. It is engaged in the sales, research and development ("**R&D**") and engineering services of equipment for semiconductor, including but not limited to backside thinning equipment, bulk cleaning equipment, solvent equipment, SPM cleaning equipment with specifications of 6 inches, 8 inches and 12 inches.

- Rena Shanghai and Rena Yiwu are wholly-owned subsidiaries acquired by the Company on 18 August 2022. They are mainly responsible for the sales, R&D and engineering services of equipment for solar cell, including but not limited to cleaning equipment and copper plating equipment. The Company holds 100% equity interest and has consolidated the financial results of Rena Shanghai and Rena Yiwu into its financial statements upon completion of the acquisitions.

- 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.

- Xinkai, established on 18 August 2022, is a subsidiary 65% controlled by the Company. It is engaged in the sales, R&D and manufacturing of DIFF high-end process equipment.

- Hongbo Mining is a wholly-owned subsidiary acquired by the Company in 2016. It is an operating company engaged in the exploration, development, production and sales of crude oil in China with its gross sales volume of approximately 305,678 barrels, and gross revenue from sales of approximately HK$223.1 million for FY2022.

- 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 comprehensive solutions of international energy provision and integrated application. The Company holds a minority interest in JOVO and classifies this investment as a financial asset at fair value through profit or loss in the Group's consolidated 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 engaged in LNG logistics services using LNG ISO container model since 2019. The Company holds 39% equity interest upon completion of all equity contribution in JUSDA Energy and classifies this investment as interest in an associate in the Group's consolidated financial statements.

- Weipin ("**Weipin**"), a mobility sector portfolio company acquired by the Group in 2019, is principally engaged in the online ride-hailing services business in China. The Company effectively holds 35.5% equity interest in Weipin and classifies the investment in Weipin as interest in an associate in the Group's consolidated financial statements.

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

FINANCIAL SUMMARY

	Year ended 31 March	
	2023	2022
	HK$'000	*HK$'000*
Continuing Operations		
Revenue *(Note 1)*	**567,511**	138,326
— from sales of equipment *(Note 1)*	**357,593**	–
— from sales of crude oil *(Note 1)*	**188,345**	138,326
— from rendering of service	**21,573**	–
Gross profit *(Note 2)*	**115,871**	41,170
Investment loss *(Note 3)*	**(13,981)**	(328,640)
EBITDA from continuing operations	**(127,782)**	(410,889)
Loss before taxation from continuing operations	**(218,874)**	(475,100)
Loss for the year from continuing operations *(Note 4)*	**(229,193)**	(482,978)
Discontinued Operation		
Profit for the year from discontinued operation *(Note 5)*	**–**	56,924
Loss for the year	**(229,193)**	(426,054)
— Attributable to equity shareholders of the Company	**(222,513)**	(403,761)
— Attributable to non-controlling interests	**(6,680)**	(22,293)
Basic and diluted (loss)/earnings per share		
— Continuing and discontinued operations	**(2.925 cent)**	(5.830 cent)
— Continuing operations	**(2.925 cent)**	(6.974 cent)
— Discontinued operation	**–**	1.144 cent

	As at 31 March	
	2023	2022
	HK$'000	*HK$'000*
Non-current assets	**1,296,886**	981,125
Current assets	**1,615,549**	1,891,981
Total assets	**2,912,435**	2,873,106
Current liabilities	**594,682**	178,712
Non-current liabilities	**116,290**	100,940
Total liabilities	**710,972**	279,652
Net assets	**2,201,463**	2,593,454
Total equity attributable to equity shareholders of the Company	**2,206,849**	2,593,454

Note 1: The revenue represents:

(1) the revenue generated from the sales of semiconductor and solar cell cleaning equipment and the spare parts related to the equipment.

(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 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 semiconductor and solar cell cleaning equipment from the rapidly developing new pan-semiconductor business.

Note 3: The investment 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. Please refer to "Key investment income/(loss)" in the section headed "Operating Summary" for further information.

Note 4: The loss for FY2022 from continuing operations is primarily attributed to the administrative and R&D expenses of approximately HK$216.9 million resulted from the rapid development and expansion of the Company's new pan-semiconductor business applied 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 cleaning equipment and high WPH (Wafer Per Hour) solar wet processing equipment, which shall become a major product of the Company.

Note 5: The discontinued operation represents the business from the online ride-hailing services provided by Weipin. The financial results of Weipin ceased to be consolidated into the financial statements of the Group and the Group has classified the investment in Weipin as interest in an associate since 21 June 2021. For details of Weipin, please refer to the announcements of the Company dated 15 November 2019 and 21 June 2021 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).

OPERATING SUMMARY

		Year Ended 31 March	
		2023	2022
Pan-semiconductor	**Solar Cell and Semiconductor Cleaning Equipment**		
	Order intake during the year (set) *(Note 1)*	**88**	–
	Tools shipment (set) *(Note 2)*	**29**	–
Oil and gas and others	**Upstream oil and gas business from Hongbo Mining**		
	Gross production volume (barrels) *(Note 3)*	**305,701**	285,459
	Gross sales volume (barrels) *(Note 3)*	**305,678**	285,759
	Net sales volume (barrels)	**244,542**	228,607
	Average unit selling price (HK$ per barrel) *(Note 3)*	**730**	605
	Average daily gross production volume (barrels)	**849**	793
	Average unit production cost before depreciation and amortisation (HK$ per barrel) *(Note 3)*	**136**	148
	Average unit production cost (HK$ per barrel) *(Note 3)*	**345**	340
	Wells drilled during the year		
	— Oil producers (unit) *(Note 4)*	**8**	–
	Fracturing workover during the year (unit)	**4**	6
		HK$'000	*HK$'000*
	Key investment income/(loss)		
	Stonehold investment *(Note 5)*	**20,331**	(362,418)
	JOVO investment *(Notes 6 and 9)*	**13,393**	144,631
	Symbio Infrastructure investment (formerly GNL Quebec investment) *(Note 7)*	**–**	(68,342)
	JUSDA investment *(Note 8)*	**(24,779)**	(5,693)

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 88 sets of solar cell and semiconductor cleaning equipment from customers. As of the date of this final results announcement, the Company has received purchase total orders of 117 sets of solar cell and semiconductor cleaning equipment from customers. The equipment is currently being manufactured in the Company's factory in Xuzhou and shipment has commenced since the fourth quarter of 2022.

Note 2: In FY2022, the Company shipped 29 sets of solar cell and semiconductor cleaning 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 commenced in early May 2022. As of the date of this final results announcement, the Company has shipped totalling 65 sets of solar cell and semiconductor cleaning equipment.

Note 3: Hongbo Mining is a subsidiary of the Company engaged in exploration, development, production and sales 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 crude 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 final results announcement, Hongbo Mining has successfully drilled 8 new wells.

Note 5: 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. Upon completion of the Disposal, an investment income amounting to approximately HK$20.3 million was recognized. Comparatively, a loss of fair value change amounting to HK$362.4 million was recognized in the year ended 31 March 2022 ("**FY2021**") 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 6: The investment income was from fair value change of JOVO investment. JOVO completed its IPO and began trading on the Shanghai Stock Exchange on 25 May 2021, which led to a significant gain from fair value change recorded in FY2021.

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 FY2021, 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. On February 17, 2023, Ruby River Capital Inc. ("**Ruby River**") on behalf of Symbio Infrastructure Limited Partnership ("**Symbio**") filed a Request for Arbitration with the International Centre for the Settlement of Investment Disputes under NAFTA Chapter Eleven, in accordance with legacy NAFTA investment claims provisions contained in the United States — Mexico — Canada Agreement. Through its claim, Ruby River seeks compensation from the Government of Canada for damages.

Note 8: JUSDA Energy's board of directors made the decision to cease the business and dispose of the assets due to the failure of negotiations with clients as a result of the COVID-19 pandemic and the market fluctuations. Therefore, an impairment of the assets has been recorded and led to the share loss of an associate of HK$24.8 million to the Company.

Note 9: Please refer to note 4 to the consolidated financial information and the section headed "Business Review" in this final results announcement for further information.

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

FINANCIAL RESULTS

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

for the year ended 31 March 2023
(Expressed in Hong Kong dollars)

	Note	Year ended 31 March 2023 HK$'000	2022 HK$'000
Continuing operations			
Revenue	*3*	**567,511**	138,326
Cost of sales		**(451,640)**	(97,156)
Gross profit		**115,871**	41,170
Investment loss	*4*	**(13,981)**	(328,640)
Other net (losses)/gains		**(34,966)**	246
Administrative expenses		**(148,216)**	(120,346)
Taxes other than income tax	*5*	**(33,216)**	(17,837)
Research and development expenses		**(68,694)**	(3,878)
Selling and marketing expenses		**(24,463)**	(2,257)
Exploration expenses, including dry holes		**(1,029)**	(822)
Impairment loss on trade and other receivables		**(7,699)**	(46,445)
Loss from continuing operations		**(216,393)**	(478,809)
Finance income		**8,608**	11,308
Finance cost		**(11,089)**	(7,599)
Net finance (costs)/income	*6*	**(2,481)**	3,709

CONSOLIDATED STATEMENT OF PROFIT OR LOSS (CONTINUED)
for the year ended 31 March 2023
(Expressed in Hong Kong dollars)

	Note	**Year ended 31 March** **2023** ***HK$'000***	2022 *HK$'000*
Loss before taxation from continuing operations		**(218,874)**	(475,100)
Income tax	*7*	**(10,319)**	(7,878)
Loss for the year from continuing operations		**(229,193)**	(482,978)
Discontinued operation			
Profit for the year from discontinued operation	*8*	**–**	56,924
Loss for the year		**(229,193)**	(426,054)
Attributable to:			
Equity shareholders of the company		**(222,513)**	(403,761)
Non-controlling interests		**(6,680)**	(22,293)
Loss for the year		**(229,193)**	(426,054)
Earnings/(loss) per share	*9*		
Basic and diluted			
— Continuing and discontinued operations		**HK$(2.925 cent)**	HK$(5.830 cent)
— Continuing operations		**HK$(2.925 cent)**	HK$(6.974 cent)
— Discontinued operation		**–**	HK$1.144 cent

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 March 2023
(Expressed in Hong Kong dollars)

	Year ended 31 March	
	2023	2022
	HK$'000	*HK$'000*
Loss for the year	**(229,193)**	(426,054)
Other comprehensive income for the year (after tax and reclassification adjustments)		
Items that may be reclassified subsequently to profit or loss:		
Exchange reserve released upon disposal of business	**–**	(6,111)
Foreign currency translation differences	**(53,545)**	27,048
Other comprehensive income for the year	**(53,545)**	20,937
Total comprehensive income for the year	**(282,738)**	(405,117)
Attributable to:		
Equity shareholders of the company	**(277,352)**	(385,034)
Non-controlling interests	**(5,386)**	(20,083)
Total comprehensive income for the year	**(282,738)**	(405,117)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 31 March 2023

(Expressed in Hong Kong dollars)

	Note	**At 31 March 2023** **HK$'000**	At 31 March 2022 *HK$'000*
Non-current assets			
Property, plant and equipment		**467,087**	545,749
Construction in progress		**2,454**	3,855
Intangible assets	*15*	**144,052**	25,774
Goodwill	*15*	**265,632**	–
Right-of-use assets		**43,149**	19,028
Interest in associates		**252,821**	290,326
Financial assets at fair value through profit or loss	*10*	**99,940**	72,809
Other non-current assets		**18,881**	23,584
Deferred tax assets		**2,870**	–
		1,296,886	981,125
Current assets			
Inventories		**517,664**	9,187
Trade receivables	*11*	**38,891**	10,845
Bills receivables	*11*	**26,411**	8,878
Other receivables	*11*	**68,884**	42,365
Prepayment		**66,436**	41,437
Financial assets at fair value through profit or loss	*10*	**128,151**	849,950
Other current assets		**24,703**	–
Restricted cash	*10(b)*	**269,620**	–
Time deposits with maturities over three months but within one year		**211,941**	383,552
Cash and cash equivalents		**262,848**	545,767
		1,615,549	1,891,981
Current liabilities			
Trade and other payables	*12*	**343,793**	165,159
Contract liabilities		**176,064**	–
Bank and other borrowings		**63,970**	7,398
Lease liabilities		**10,855**	4,834
Derivative financial instruments		**–**	1,321
		594,682	178,712

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
at 31 March 2023
(Expressed in Hong Kong dollars)

	Note	**At 31 March 2023** ***HK$'000***	At 31 March 2022 *HK$'000*
Net current assets		**1,020,867**	1,713,269
Total assets less current liabilities		**2,317,753**	2,694,394
Non-current liabilities			
Lease liabilities		**23,367**	4,946
Deferred tax liabilities		**15,302**	28,881
Provisions		**77,621**	67,113
		116,290	100,940
NET ASSETS		**2,201,463**	2,593,454
CAPITAL AND RESERVES			
Share capital	*14(b)*	**75,193**	75,644
Treasury shares		**(1,535)**	(525)
Reserves		**2,133,191**	2,518,335
Total equity attributable to equity shareholders of the company		**2,206,849**	2,593,454
Non-controlling interests		**(5,386)**	–
TOTAL EQUITY		**2,201,463**	2,593,454

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

(Expressed in Hong Kong dollars unless otherwise indicated)

1 CORPORATE 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 year ended 31 March 2023, 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 the People's Republic of China (the "**PRC**").

2 SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

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

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

(b) Basis of preparation

The consolidated financial information for the year ended 31 March 2023 comprises the Company and its subsidiaries and the Group's interest in associates.

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

— Financial assets at fair value through profit or loss ;

— Derivative financial instruments ;

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

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

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

(c) Changes in accounting policies

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

- 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. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3 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 Year ended 31 March		Discontinued operation Year ended 31 March		Total Year ended 31 March	
	2023	2022	**2023**	2022	**2023**	2022
	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))*	**357,593**	–	**–**	–	**357,593**	–
— sales of crude oil *(note (ii))*	**188,345**	138,326	**–**	–	**188,345**	138,326
— rendering of services	**21,573**	–	**–**	751,157	**21,573**	751,157
Cost of sales and services						
— sales of equipment	**(330,213)**	–	**–**	–	**(330,213)**	–
— sales of crude oil	**(107,735)**	(97,156)	**–**	–	**(107,735)**	(97,156)
— rendering of services	**(13,692)**	–	**–**	(760,166)	**(13,692)**	(760,166)
	115,871	41,170	**–**	(9,009)	**115,871**	32,161

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

(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) Segment results, assets and liabilities

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

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

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

The measure used for reporting segment profit/loss is EBITDA.

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

Disaggregation of revenue from contracts with customers, as well as information regarding the 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 years ended 31 March 2023 and 2022 is set out below.

	Continuing operations				**Discontinued operation**			
	Pan-semiconductor		**Oil and gas and others**		**Mobility services businesses**		**Total**	
	Year ended 31 March		**Year ended 31 March**		**Year ended 31 March**		**Year ended 31 March**	
	2023	2022	**2023**	2022	**2023**	2022	**2023**	2022
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Revenue from external customers *(note)*	**379,166**	–	**188,345**	138,326	**–**	751,157	**567,511**	889,483
Investment loss	**–**	–	**(13,981)**	(328,640)	**–**	–	**(13,981)**	(328,640)
Gain on deemed disposal of Weipin	**–**	–	**–**	–	**–**	91,246	**–**	91,246
Reportable segment (loss)/ profit (EBITDA)	**(103,332)**	–	**(24,425)**	(410,649)	**–**	68,752	**(127,757)**	(341,897)
Depreciation and amortisation	**(21,511)**	–	**(67,832)**	(59,494)	**–**	(23,998)	**(89,343)**	(83,492)
Interest income	**163**	–	**7,606**	5,926	**–**	99	**7,769**	6,025
Interest expense	**(871)**	–	**(903)**	(4,717)	**–**	(382)	**(1,774)**	(5,099)
Impairment loss on trade and other receivables	**(761)**	–	**(6,938)**	(46,445)	**–**	(4,394)	**(7,699)**	(50,839)
Reportable segment assets	**1,172,371**	–	**2,209,297**	2,873,106	**–**	–	**3,381,668**	2,873,106
(including interest in associates)	**19,655**	–	**233,166**	290,326	**–**	–	**252,821**	290,326
Additions to non-current segment assets during the year	**188,402**	–	**34,594**	15,197	**–**	13,551	**222,996**	28,748
Reportable segment liabilities	**(897,926)**	–	**(269,847)**	(250,771)	**–**	–	**(1,167,773)**	(250,771)

Note:

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

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

	Continuing operations				Discontinued operation			
	Pan-semiconductor		Oil and gas and others		Mobility services businesses		Total	
	Year ended 31 March		Year ended 31 March		Year ended 31 March		Year ended 31 March	
	2023	2022	**2023**	2022	**2023**	2022	**2023**	2022
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Revenue from external customers	**379,166**	–	**188,345**	138,326	**–**	751,157	**567,511**	889,483

Profit/(loss)	Continuing operations				Discontinued operation			
	Pan-semiconductor		Oil and gas and others		Mobility services businesses		Total	
	Year ended 31 March		Year ended 31 March		Year ended 31 March		Year ended 31 March	
	2023	2022	**2023**	2022	**2023**	2022	**2023**	2022
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Reportable segment (loss)/ profit (EBITDA)	**(103,332)**	–	**(24,425)**	(410,649)	**–**	68,752	**(127,757)**	(341,897)
Elimination of inter-segment profits	**(25)**	–	**–**	(240)	**–**	–	**(25)**	(240)
Depreciation and amortisation	**(21,511)**	–	**(67,832)**	(59,494)	**–**	(23,998)	**(89,343)**	(83,492)
Interest expense	**(846)**	–	**(903)**	(4,717)	**–**	(142)	**(1,749)**	(4,859)
Consolidated (loss)/profit before taxation	**(125,714)**	–	**(93,160)**	(475,100)	**–**	44,612	**(218,874)**	(430,488)

Assets	**At 31 March 2023** ***HK$'000***	At 31 March *2022* *HK$'000*
Reportable segment assets	**3,381,668**	2,873,106
Deferred tax assets	**2,870**	–
Elimination of inter-segment receivables	**(472,103)**	–
Consolidated total assets	**2,912,435**	2,873,106

Liabilities	**At 31 March 2023** ***HK$'000***	At 31 March 2022 *HK$'000*
Reportable segment liabilities	**1,167,773**	250,771
Deferred tax liabilities	**15,302**	28,881
Elimination of inter-segment payables	**(472,103)**	–
Consolidated total liabilities	**710,972**	279,652

(iii) Geographic information

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

4 INVESTMENT LOSS

	Year ended 31 March	
	2023	2022
	HK$'000	*HK$'000*
Stonehold investment *(note (1))*	**20,331**	(362,418)
JOVO investment *(note (1))*	**13,393**	144,631
Symbio Infrastructure investment *(note (1))*	**–**	(68,342)
ssLNG solution investment *(note (1))*	**–**	(21,981)
Fund investment *(note (1))*	**(10,470)**	(2,063)
Dividend income *(note (2))*	**3,440**	4,758
Share of losses of associates	**(42,763)**	(21,904)
Net realised and unrealised gains/(losses) on derivative financial instruments *(note (3))*	**2,088**	(1,321)
	(13,981)	(328,640)

Notes:

(1) These amounts represent fair value changes and/or disposal gains or losses of the various investments during the year ended 31 March 2023 and 2022. Such assets are measured at FVTPL, any interest income arising from such assets is included in fair value changes. Please refer to Note 10 for the detailed information about the change of the investment in Stonehold and JOVO. The Group disposed Symbio infrastructure investment and ssLNG solution investment in the year ended 31 March 2022.

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

(3) During the year ended 31 March 2023, 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.

5 TAXES OTHER THAN INCOME TAX

	Continuing operations Year ended 31 March		Discontinued operation Year ended 31 March		Total Year ended 31 March	
	2023	2022	**2023**	2022	**2023**	2022
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Resources tax	**10,708**	8,301	**–**	–	**10,708**	8,301
Petroleum special profit levy	**20,128**	7,447	**–**	–	**20,128**	7,447
City construction tax	**884**	784	**–**	548	**884**	1,332
Education surcharge	**884**	784	**–**	140	**884**	924
Water resources tax	**612**	521	**–**	–	**612**	521
	33,216	17,837	**–**	688	**33,216**	18,525

6 NET FINANCE (COSTS)/INCOME

	Continuing operations Year ended 31 March		Discontinued operation Year ended 31 March		Total Year ended 31 March	
	2023	2022	**2023**	2022	**2023**	2022
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Interest income	**7,744**	5,686	**–**	99	**7,744**	5,785
Net gain on bank financial products	**864**	1,592	**–**	–	**864**	1,592
Foreign exchange (loss)/gain, net	**(6,271)**	4,030	**–**	–	**(6,271)**	4,030
Interest on bank and other borrowings	**(608)**	(583)	**–**	–	**(608)**	(583)
Interest on lease liabilities	**(1,141)**	(341)	**–**	(142)	**(1,141)**	(483)
Interest on convertible bond	**–**	(3,793)	**–**	–	**–**	(3,793)
Accretion expenses	**(2,949)**	(2,802)	**–**	–	**(2,949)**	(2,802)
Others	**(120)**	(80)	**–**	(79)	**(120)**	(159)
	(2,481)	3,709	**–**	(122)	**(2,481)**	3,587

7 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

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

	Continuing operations Year ended 31 March		Discontinued operation Year ended 31 March		Total Year ended 31 March	
	2023	2022	**2023**	2022	**2023**	2022
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Current tax — Hong Kong Profits Tax						
Provision for the year	**–**	–	**–**	–	**–**	–
Current tax — The PRC						
Provision for the year	**15,437**	14,501	**–**	–	**15,437**	14,501
Under-provision in prior year	**8,980**	–	**–**	–	**8,980**	–
Deferred tax						
Origination and reversal of temporary differences	**(14,098)**	(6,623)	**–**	(12,312)	**(14,098)**	(18,935)
	10,319	7,878	**–**	(12,312)	**10,319**	(4,434)

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

	Continuing operations Year ended 31 March		Discontinued operation Year ended 31 March		Total Year ended 31 March	
	2023	2022	**2023**	2022	**2023**	2022
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Loss before taxation	**(218,874)**	(475,100)	**–**	44,612	**(218,874)**	(430,488)
Notional tax on profit before taxation, calculated at the rates applicable to profits in the countries concerned	**(48,425)**	(3,802)	**–**	11,153	**(48,425)**	7,351
R&D expenses super deduction	**(9,602)**	–	**–**	(1,204)	**(9,602)**	(1,204)
Effect of non-taxable income	**(2,051)**	(11,805)	**–**	(22,872)	**(2,051)**	(34,677)
Effect of non-deductible expenses	**13,994**	7,365	**–**	611	**13,994**	7,976
Effect of unrecognised tax losses	**47,423**	16,120	**–**	–	**47,423**	16,120
Under-provision in prior year	**8,980**	–	**–**	–	**8,980**	–
Actual tax expense	**10,319**	7,878	**–**	(12,312)	**10,319**	(4,434)

Pursuant to the rules and regulations of Cayman Islands, Bermuda and the British Virgin Islands (the "**BVI**"), the Group is not subject to any income tax in Cayman Islands, 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 the year. The provision for Hong Kong profits tax is calculated at 16.5% (2022: 16.5%) of the estimated assessable profit for the years.

The provision for PRC current income tax is based on a statutory rate of 25% (2022: 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 (LOSS)/EARNINGS PER SHARE

(a) Basic (loss)/earnings per share

The calculation of basic and diluted (loss)/earnings per share is based on the loss attributable to ordinary equity shareholders of the Company of HK$222,513,000 (year ended 31 March 2022: HK$403,761,000) and the weighted average of 7,607,073,000 ordinary shares (year ended 31 March 2022: 6,925,854,000 shares) in issue during the year, calculated as follows:

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

	2023	2022
	HK$'000	*HK$'000*
From continuing operations	**(222,513)**	(482,978)
From discontinued operation	**–**	79,217
	(222,513)	(403,761)

(2) Weighted average number of ordinary shares

	2023	2022
	'000	*'000*
Issued ordinary shares at 1 April	**7,564,447**	6,891,710
Effect of conversion of convertible bond	**–**	22,831
Effect of shares repurchased *(note 14(b))*	**(432)**	–
Effect of equity settled share-based transaction *(note 13)*	**43,058**	11,313
Weighted average number of ordinary shares at 31 March	**7,607,073**	6,925,854

(b) Diluted (loss)/earnings per share

There were no potential dilutive shares as at the year ended 31 March 2023, and the diluted (loss)/earnings per share are equal to the basic (loss)/earnings share.

No adjustment has been made to the basic loss per share amounts presented for the year ended 31 March 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 31 March 2023	At 31 March 2022
	HK$'000	*HK$'000*
Non-current assets		
Fund investment *(note (c))*	**99,940**	72,809
Current assets		
Stonehold investment *(note (a))*	**–**	523,272
JOVO investment *(note (b))*	**52,416**	315,581
Bank financial products	**75,735**	11,097
	128,151	849,950

Notes:

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

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

During the year ended 31 March 2022, the Group recorded an investment loss of HK$362 million for the Stonehold investment according to its estimated fair value.

On 10 June 2022, 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. Upon the completion of the Disposal, the Group recorded a disposal gain amounting to HK$20.3 million during the year ended 31 March 2023.

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

JOVO is a comprehensive clean energy service provider focusing on the mid-stream and terminal aspect of the gas industry. It offers a wide range of clean energy and related products, such as LNG, 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.

During the year ended 31 March 2023, Valuevale sold majority of JOVO shares on the A-share market, when such shares were available for trading upon expiry of the lock-up period. The proceeds from sale of JOVO shares, amounting to HK$269.6 million, were kept in a regulatory bank account and could be used only after the completion of a series of tax and foreign exchange registration and administration procedures. As at 31 March 2023, the proceeds were recorded in "Restricted cash".

The Group recorded investment gains for JOVO investment amounting to HK$144.6 million and HK$13.4 million for the years ended 31 December 2022 and 2023, respectively.

(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. (the "**Fund**") entered into an subscription agreement for the admission of Valuefort as the subscriber into the Fund. Pursuant to the agreement, Valuefort proposed to make capital commitments of US$20 million (equivalent to approximately HK$155.05 million). As at 31 March 2023, the total capital contributed by Valuefort was US$13.4 million (equivalent to approximately HK$104.3 million) and the fair value of the Fund investment was HK$99.9 million.

11 TRADE AND OTHER RECEIVABLES

	At 31 March 2023 *HK$'000*	At 31 March 2022 *HK$'000*
Trade receivables, net of allowance for doubtful debts	**38,891**	10,845
Bills receivable	**26,411**	8,878
Other receivables	**68,884**	42,365
	134,186	62,088

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

Aging analysis

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

	At 31 March 2023 *HK$'000*	At 31 March 2022 *HK$'000*
Within 1 month	**14,226**	10,845
1 to 6 months	**16,584**	–
7 to 12 months	**6,880**	–
Over 1 year	**1,201**	–
	38,891	10,845

12 TRADE AND OTHER PAYABLES

	At 31 March 2023 *HK$'000*	At 31 March 2022 *HK$'000*
Trade payables	**165,614**	39,993
Taxes other than income tax payable	**44,485**	28,401
Income tax payable	**20,124**	15,393
Cooperation sharing payable due to a third party	**64,760**	60,989
Interest payable	**9,594**	10,444
Others	**39,216**	9,939
	343,793	165,159

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 31 March 2023 *HK$'000*	At 31 March 2022 *HK$'000*
Within 1 year	**152,286**	20,944
Over 1 year but within 2 years	**1,408**	4,706
Over 2 years but within 3 years	**2,398**	5,931
Over 3 years	**9,522**	8,412
	165,614	39,993

13 EQUITY SETTLED SHARE-BASED TRANSACTIONS

The Company adopted a share award scheme on 6 August 2021 whereby the directors were authorised, at their discretion, to select any eligible participant (other than any excluded participant) for participation in the share award scheme. The vesting of the awarded shares is subject to the satisfaction of non-market and service period conditions specified by the Board or the administration committee in the award notice issued to each of the respective grantees. On 7 October 2021 and 14 January 2022, the Company granted 60,120,000 and 17,379,000 award shares to 10 employees and 15 employees of the Group, respectively, without compensation, pursuant to the share award scheme. During the year ended 31 March 2023, the Company revised the vesting condition for both non-market and service period in relation to the above award shares. As a result, one of the employees returned 25,000,000 award shares and exercised 12,000,000 award shares during the year ended 31 March 2023.

On 1 August 2022, 27 September 2022 and 10 March 2023, the Company granted 28,509,000, 61,415,094 and 24,549,980 awarded shares to 14 employees, 1 employee and 45 employees of the Group, respectively, without compensation, pursuant to the share award scheme.

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

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

The awarded shares granted on 7 October 2021, 14 January 2022, 1 August 2022, 27 September 2022 and 10 March 2023 were valued at HK$0.99, HK$1.10, HK$1.20, HK$1.16 and HK$0.93 per share, respectively, which was the market price of the ordinary share at each grant date.

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

	2023	2022
	'000	*'000*
Outstanding at 1 April	**52,414**	–
Granted during the year	**114,474**	77,499
Returned during the year	**25,000**	–
Exercised during the year	**(15,825)**	(25,025)
Forfeited during the year	**(2,177)**	(60)
Outstanding at 31 March	**173,886**	52,414

14 CAPITAL, RESERVES AND DIVIDENDS

(a) Dividends

There is no dividend declared attributable to the year ended 31 March 2023 (2022: Nil).

There is no dividend payable to owners of the Company attributable to previous financial year, approved and paid during the year ended 31 March 2023 (2022: Nil).

(b) Share capital

	Ordinary shares		**Preferred shares**		**Total**	
	Number of shares '000	*Nominal value HK$'000*	*Number of shares '000*	*Nominal value HK$'000*	*Number of shares '000*	*Nominal value HK$'000*
Shares of HK$0.01 each						
Authorised:						
At 1 April 2021, 31 March 2022 and 31 March 2023	11,000,000	110,000	5,000,000	50,000	16,000,000	160,000
Issued, paid or payable:						
At 1 April 2021	6,891,710	68,917	–	–	6,891,710	68,917
Insurance of shares *(note 1)*	77,499	775	–	–	77,499	775
Conversion of convertible bond	595,238	5,952	–	–	595,238	5,952
At 31 March 2022	7,564,447	75,644	–	–	7,564,447	75,644
Insurance of shares *(note 1)*	112,591	1,126	–	–	112,591	1,126
Purchase of own shares *(note 2)*	(157,736)	(1,577)	–	–	(157,736)	(1,577)
At 31 March 2023	7,519,302	75,193	–	–	7,519,302	75,193

Notes:

(1) During the year ended 31 March 2023, the Company issued 112,591,000 ordinary shares (year ended 31 March 2022: 77,499,000) for the implementation of the share award scheme (see note 13).

(2) During the year ended 31 March 2023, the Company repurchased its own shares on the Stock Exchange as follows:

Month/year	**Number of shares repurchased**	**Highest price paid per share**	**Lowest price paid per share**	**Aggregate price paid**
	'000	*HK$*	*HK$*	*HK$'000*
December 2022	150,348	1.03	0.99	153,039
January 2023	7,388	1.01	0.92	7,227
	157,736			160,266

As of 31 March 2023, all the repurchased shares were cancelled by the Company upon such repurchase and, accordingly, the issued share capital of the Company was reduced by the nominal value of these shares. The premium paid on the repurchase was charged against the share premium account.

15 BUSINESS COMBINATION

On 13 June 2022, the Company and Valuevale (the "**Purchaser**") entered into a series of agreements ("**Agreements**"), including a sale 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 Productive Equipment Technologies (Shanghai) Co., Ltd. (上海普達特設備科技有限公司), formerly known as 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**"), agreement of sale and transfer of certain sales contracts, 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 in accordance with the terms and conditions of the Agreements. Upon completion, the Company holds the entire equity interest of 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 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 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 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 the Completion.

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

BUSINESS REVIEW

The principal activities of the Group

The Group 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 the PRC.

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 current reputable market projections, the global semiconductor market is expected to reach US$676 billion in 2023 and US$900 billion by 2030. While the latest market projections for the global semiconductor industry may show a slight deduction in growth, but still the global sales of semiconductor manufacturing equipment by original equipment manufacturers are forecast to reach US$91.2 billion in 2023. The industry anticipates the demand for smaller chips that comply with more rigid requirements, and the development of new solutions for fabrication equipment. China's semiconductor equipment market is expected to account for approximately 26.3% of the global market in 2023. There is a promising opportunity for companies to invest in this sector to meet the growing demand. In light of this, the Company plans to gradually expand its investments in semiconductor equipment to capitalize on these positive trends. Furthermore, the Company aims to develop its solar cell industry in addition to the semiconductor industry, as the LCOE (levelized cost of electricity) of solar cell has dropped by more than 80% over the past decade. The global solar module market is expected to reach US$46.9 billion by 2023 and US$78.1 billion by 2030, with the corresponding solar cell equipment market reaching $5.6 billion by 2030, according to reputable market forecasts.

1.1 Development in semiconductor and solar cell cleaning equipment business

The wafer cleaning equipment market is projected to reach US$6 billion in 2023 and accounts for 6% of the global WFE market. China's domestic market holds around 26.3% of the global market worth more than US$1.5 billion, with Chinese end-customers purchasing approximately 50% of the wafer cleaning equipment, representing an addressable market of over US$700 million for the Company. The solar cell cleaning equipment global market size is expected to be more than US$200 million in 2023, accounting for 16% of the market share. Given that Chinese domestic market accounts for almost 95% of the global photovoltaic ("**PV**") market, the Company is expected to have access to a considerable share of the PV market. The Company has put significant effort and resources into the pan-semiconductor business in cleaning equipment for semiconductor and solar cell which focuses on technology and solutions providing high productivity to customers. To develop this new area of business, the Company has hired highly experienced management members to lead the new pan-semiconductor unit.

The management team of the new business development is focused on creating core competencies that will benefit the semiconductor and solar cell equipment business. The core team members have extensive experience in top-tier semiconductor companies, with an average industry experience of more than 15 years. Most of the team members hold a master's degree or above and possess excellent technical and management expertise, practical experience in research and development, production and operation of semiconductor equipment, and an in-depth understanding of the market and customer needs. The core team is expected to establish a strong talent team quickly to facilitate the long-term development of the business.

On 27 January 2022, the Company entered into a manufacturing and supply agreement (the "**Manufacturing Agreement**") with RENA Holding II GmbH, which is principally engaged in manufacturing of wet processing equipment ("**RENA**"). Pursuant to the Manufacturing Agreement, the Company shall manufacture and supply to RENA the selected wet chemical and similar equipment (the "**Products**") for a term of five years commenced from January 2022. RENA had granted 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 and 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 construct production lines to engage in the manufacturing of the semiconductor and solar cell cleaning equipment. 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 in 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 lowers the cost of ownership under the same footprint. One unit was delivered in the fourth quarter of 2022 and the other unit is expected to be delivered in the fourth quarter of 2023.

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 (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**") 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 111 sets (FY2022: 83 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; InOxSide NIAK3+, which is designed for P-N junction removal at the wafer edge as well as rear side polishing; and the newly developed Double-deck Inline Platform (NIAK4), which is designed for applications in wafer surface texturing process that reduces reflection losses of the incident light.

NIAK4 is iteratively developed from RENA modularized NIAK platform, it is compatible with the conventional acidic cleaning process, and other processing technologies including low-temperature acid etching and high-temperature alkaline polishing processing which are based on the authorized single-side wafer etching process patent. NIAK4 can break through the production capacity bottleneck of inline cleaning equipment, achieving a production capacity of 1 gigawatt (GW) per unit, which is expected to reduce the customer's capital expenditure by about 25%.

The Company has successfully fulfilled its purchase orders for semiconductor and solar cell cleaning equipment by timely delivery. As of the date of this final results announcement, the Company has shipped a total of 65 sets of semiconductor and solar cell cleaning equipment. More than half of the delivered solar cell cleaning equipment have met the required maximum capacity, while reports of primary data readout have been received for the delivered semiconductor cleaning equipment.

Meeting the required maximum capacity is a critical factor in assessing the effectiveness of solar cell cleaning equipment, while primary data is crucial for ongoing data readout and assessment of semiconductor cleaning equipment. The Company's delivery of such equipment has been a success, and the Company is confident in its ability to continuously meet the needs of customers.

Going forward, the Company will continue to make its mark on 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 the current clientele as a foundation with strong financial background, independent innovation and dominating manufacturing capabilities.

1.2 Development in CVD equipment business

The CVD equipment market is expected to account for 10% of the global WFE market, or approximately US$10 billion in 2023. The Chinese domestic market dominates about 25.8% of the global market, representing more than US$2.5 billion. Within the domestic market, Chinese end-customers purchase about 50% of CVD equipment, representing an addressable market of more than US$1.2 billion for the Company. The thermal CVD equipment, which is the Company's initial product in CVD equipment, is critical in thin film deposition in semiconductor device manufacturing. The thin film deposition equipment accounts for 18% of the total market share of semiconductor equipment, and its global market size exceeded US$17 billion in 2022. The CVD equipment, which is the most widely adopted thin film deposition equipment, accounts for 66% of the total market share of the thin film deposition equipment, representing around 10% of the total market share of semiconductor equipment, and its global market size exceeded US$11 billion in 2022.

According to market research institutions, the localization rate of the CVD equipment in 2022 was low, while the barrier to entry in the global CVD equipment market is high, and the market is highly concentrated, with 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. As planned, RMB140 million is initially committed to the launch of the Company's CVD equipment 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.

In FY2022, Xinkai has provided a state-of-the-art manufacturing environment for the production after the decoration of clean room. Additionally, Xinkai has successfully completed the design of two new sets of equipment, further enhancing its capabilities and capacity. Finally, Xinkai has signed a new partnership agreement with a valued customer, enabling collaboration on exciting new development projects. These achievements demonstrate the ongoing commitment to innovation, quality, and customer satisfaction.

The Board considers that 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 will potentially lead to the enhancement of its financial performance by cooperating and leveraging the expertise and networks of its 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 business development in pan-semiconductor industry 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 pan-semiconductor business for semiconductor and solar cell industry, 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, 12 October 2022, 15 November 2022, 3 February 2023 and 29 May 2023 published on the websites of the Company (www.pdt-techs.com) and 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.

As the global economy continues to recover, the demand for crude oil is steadily increasing currently. On the supply side, the Russia-Ukraine conflict in the first half of 2022 disrupted the existing supply pattern of the oil market, with multiple rounds of sanctions from Europe and America intensifying supply tensions to drive oil prices to a record high of US$140 per barrel, the highest in 14 years. In the second half of 2022, developed economies such as the U.S. and the eurozone continued to release strategic oil reserves in order to combat inflation, and crude oil prices gradually fell back to early-year levels. In 2022, the average price of Brent Crude oil was US$98.60 per barrel, an increase of US$27.79 per barrel or 39.25% from 2021. Based on this, in addition to implementing measures such as fracturing old wells to stabilize production, Hongbo Mining drilled new wells to capture short-term high oil prices opportunities. At the same time, the Company also purchased crude oil hedging products to lock in cash flows at higher oil prices. Although the oil and gas industry's prosperity continues to recover, it is important to recognize the impact of factors such as global energy industry structural adjustments and the transition to low-carbon and new energy on oil prices. The Company will continue to closely monitor the market, control risks, and make every effort to maintain the value of assets through financial and operational means.

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.

In 2021, Hongbo Mining conducted maintenance and fracturing on existing production wells to ensure stable oil production. In light of the current high oil price environment starting from the end of 2021, Hongbo Mining started drilling new wells since April 2022 and has successfully completed 8 new wells in FY2022. As of 31 March 2023, all the production wells, reserves and resources estimated by Hongbo Mining were located in Block 212.

As a result, Hongbo Mining's oil production volume increased by approximately 7.1% to 305,701 barrels; its gross and net oil sales volume increased by approximately 7.0% to 305,678 barrels and 244,542 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 36.2% to approximately HK$223.1 million and HK$188.3 million, respectively, compared to those for FY2021.

Meanwhile, the drilling of new production wells caused the increase of depletion and as a result, the average unit production cost increased by HK$4 per barrel, or approximately 1.3%, from HK$340 per barrel (equivalent to US$43.7 per barrel) in FY2021 to HK$345 per barrel (equivalent to US$44.0 per barrel) in FY2022. Since there was less maintenance and fracturing work performed on existing production wells in FY2022, the average unit production cost before depreciation and amortisation decreased by HK$13 per barrel, or approximately 8.5%, from HK$148 per barrel (equivalent to US$19.1 per barrel) in FY2021 to HK$136 per barrel (equivalent to US$17.3 per barrel) in FY2022.

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

	Year ended 31 March	
	2023	2022
Average daily gross production volume (barrels)	**849**	793
Average daily gross sales volume (barrels)	**849**	794
Average unit production cost before depreciation and amortisation (HK$ per barrel)	**136**	148
Average unit production cost (HK$ per barrel)	**345**	340
Average unit selling price (HK$ per barrel)	**730**	605

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

	Summary of expenditures incurred for the year ended 31 March			
	2023		2022	
	Number	**Cost** *(HK$'000)*	Number	Cost *(HK$'000)*
Wells drilled during the period				
Oil producers	**8**	**31,289**	–	–
Fracturing workover	**4**	**2,788**	6	5,291
Geological and geophysical costs	**–**	**1,029**	–	822

Based on the oil and gas reserves as at 31 March 2023 as estimated by independent technical consultants, the net 1P reserves of Hongbo Mining were 4.73 million barrels at stock tank conditions ("**MMstb**") and the net 2P reserves were 8.99 MMstb. Due to the challenges of the macro-economy such as highly volatile prices of oil and gas, the net 1P and 2P reserves decreased by 22.8% and 16.6%, respectively, as compared with those as at 31 March 2022.

The below are the summary and review of the reserves and resources of Hongbo Mining as at 31 March 2023 and 31 March 2022, as conducted by the independent technical consultants, Gaffney, Cline & Associates ("**GCA**"):

	As at 31 March 2023		As at 31 March 2022	
	Gross Reserves *(MMstb)*	**Net Reserves *(MMstb)***	Gross Reserves *(MMstb)*	Net Reserves *(MMstb)*
Proved (1P)	**5.92**	**4.73**	7.67	6.14
Proved + Probable (2P)	**11.24**	**8.99**	13.48	10.78
Proved + Probable + Possible (3P)	**14.92**	**11.94**	17.20	13.76
Contingent resources (1C)	**3.64**	**2.91**	3.60	2.88
Contingent resources (2C)	**7.76**	**6.21**	8.54	6.83
Contingent resources (3C)	**12.2**	**9.76**	14.21	11.37
Prospective resources	**9.7**	**7.76**	9.7	7.76

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

2.1.2 Stonehold

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 then 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.

In 2022, due to high domestic natural gas prices and weak domestic demand affected by the pandemic, the domestic natural gas consumption was 366.3 billion cubic meters, representing a year-on-year decrease of 1.7%. Among them, the consumption volume of LNG was 80.3 million tons, representing a year-on-year decrease of 15.79%. The decrease was affected by the increase of domestic gas supply and the stable imports of pipeline gas from the demand side and was also affected by the sustained high prices of LNG. However, with the promotion and use of clean energy, LNG consumption is expected to increase in the future. The Company's LNG investment portfolio is also affected by price increases and measures such as 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 2022, JOVO achieved operating revenues of approximately RMB23.9 billion, a year-on-year increase of 29.56%, and a net profit attributable to the parent company of approximately RMB1.1 billion, a year-on-year increase of 75.87%.

The Company held 12,824,428 shares in JOVO, and has sold 10,769,569 shares on the market at an average price of RMB21.89/share since 30 May 2022, when such shares were available for trading upon expiry of the lock-up period. JOVO has also paid to the Company a final dividend of RMB3.0 (tax inclusive) for every 10 shares in 2022, representing a total cash dividend of RMB0.33 million. Therefore, an investment income of approximately HK$14.7 million has been realized in FY2022. As at 31 March 2023, the Company held 2,054,859 shares in JOVO with the closing market price of RMB22.33/share. The market value of these shares amounted to RMB45.9 million (equivalent to approximately HK$84.7 million) and the Company recognized unrealized gain of approximately HK$2.1 million.

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. 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.

Despite completion of fixed asset investment for the domestic Zhoushan project, the COVID-19 pandemic and market fluctuations have impacted the project's progress. After several rounds of negotiations with client, it became clear that the project could not be put into operation in the short term. Additionally, the third transshipment contract for the overseas project was also affected, resulting in a halt in shipping in the short and medium term. In light of these challenges, the board of directors of JUSDA Energy made the decision to cease business and dispose of assets. After conducting extensive market research and communicating with potential buyers, the consideration for disposal of the assets would likely be determined at a discount compared to its net book assets. As a result, an impairment of these assets has been recorded and led to the share loss of an associate of HK$24.8 million to the Company.

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 in 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 Weipin's board of directors, making Weipin a subsidiary. 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 30% 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", "Meituan", "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 more than 100 major cities in 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 recovery.

4. 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 required funds for general working capital purposes.

The following table summarizes the intended use of proceeds and the actual use of proceeds as at 31 March 2023.

	Intended use of Net Proceeds set out in the Circular *HK$'000*	Intended use of Net Proceeds (after the change as announced on 24 June 2020) *HK$'000*	Actual use of Net Proceeds as at 31 March 2023 *HK$'000*	Unutilized Net Proceeds as at 31 March 2023 *HK$'000*
Investment or acquisition of targets in natural gas industry in China and in North America	1,100,000	900,000	399,000	501,000
Investment in up-stream shale gas and/or shale oil assets or projects overseas	300,000	300,000	–	300,000
Other investments for future development	83,000	83,000	83,000	–
General working capital	–	200,000	98,000	102,000

As at 31 March 2023, 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 process routes such as TOPCon, and on the other hand, technology reserve in a prospective manner for new technology process routes 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 111 sets of semiconductor and solar cell cleaning 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 PV 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 Group 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 CVD 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.

The Company's oil and gas business has short-term optimistic market expectations, with a recent drop in Brent Crude oil prices due to the banking crisis in Europe and the United States raising concerns about oil demand. However, OPEC+ has proposed voluntary production cuts to balance supply and demand and stabilize prices. Looking ahead, various institutions are optimistic about oil demand recovering in the second half of 2023 due to the flow of domestic and international trade, driven by China's reopening. The supply side remains tight due to OPEC+ production controls, which supports high oil prices. Despite the optimistic outlook, the Company plans to further mitigate risks and extreme events through the use of hedging tools for upstream assets. Additionally, the Company will focus on maintaining asset liquidity and increasing production to take advantage of short-term high oil prices.

As we advance, in addition to vigorously developing new businesses, the Company's top priority will continue to be managing 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

Revenue

The revenue represents:

Sales of equipment

The sales of equipment represented sales of cleaning equipment applied in solar and semiconductor manufacturing and the spare parts related to the equipment. The Company recognized revenue amounting to approximately HK$357.6 million in FY2022.

Sales of crude oil

The sales of crude oil represented the crude oil net sales from Hongbo Mining. It increased by HK$50.0 million, or 36.2%, from HK$138.3 million in FY2021 to HK$188.3 million in FY2022.

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 in FY2022 increased to approximately HK$748 per barrel as compared to approximately HK$616 per barrel in FY2021. The average unit selling price of Hongbo Mining's crude oil increased to approximately HK$730 per barrel in FY2022 from HK$605 per barrel in FY2021, which was consistent with the trend of global oil prices. On the other hand, Hongbo Mining's net sales volume increased to 244,542 barrels in FY2022 from 228,607 barrels in FY2021, which was mainly due to new wells drilled in FY2022. For further details on the increase of the production volume, please refer to "Business Review — Hongbo Mining".

Cost of sales

Cost of sales represents:

Cost of sales of equipment

The cost of sales of equipment was approximately HK$343.9 million.

Cost of sales of crude oil

The cost of sales of crude oil from Hongbo Mining increased by HK$10.6 million, or approximately 10.8%, from HK$97.2 million in FY2021 to HK$107.7 million in FY2022. The increase was mainly due to the increase of the depreciation and amortisation caused by the new wells drilled in FY2022. 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 increase of the margin from sales of crude oil under the current high oil price environment, and the margin from sales of semiconductor and solar cell cleaning equipment from the rapidly developing pan-semiconductor business as discussed above in this section.

Investment loss

Investment loss mainly includes the following:

(1) the fair value gain from JOVO investment of HK$13.4 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$11.3 million investment gain has been realized; and 2) unrealized gain of approximately HK$2.1 million from the 2,832,696 shares on hand as at 31 March 2023;

(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 share of losses from JUSDA investment of HK$24.8 million which was caused by the decision from the board of directors of JUSDA Energy to cease business and dispose of assets after several negotiations with clients regarding the trial operation to finally launch Zhoushan project;

(4) the share of losses of Weipin as an associate of HK$17.6 million in FY2022; and

(5) the net fair value loss from other investments, share of losses of an associate, the hedging products and dividend income of a totaling HK$5.4 million.

Administrative expenses

The administrative expenses from continuing operations increased by HK$27.9 million, or approximately 23.2%, from HK$120.3 million in FY2021 to HK$148.2 million in FY2022. The increase was mainly due to the rapid development and expansion of the Company's pan-semiconductor business in semiconductor and solar industry in FY2022, which accordingly led to the increase of the corresponding staff costs and professional service fees of approximately HK$14.0 million. It also includes the amortization of intangible assets recognized from the acquisition of the Target Companies carrying out solar business of approximately HK$13.0 million since 18 August 2022.

R&D expenses

The R&D expenses increased significantly by HK$64.8 million, or approximately 1,671.4% from HK$3.9 million in FY2021 to HK$68.7 million in FY2022. The increase was mainly related to the rapid development and expansion of the Company's pan-semiconductor business in semiconductor and solar industry. The R&D expenses 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 cleaning equipment and high WPH solar wet processing equipment, which shall become the major products of the Company.

Taxes other than income tax

Taxes other than income tax increased by HK$15.4 million, or approximately 86.2%, from HK$17.8 million in FY2021 to HK$33.2 million in FY2022, which was mainly due to the increase in petroluem special profit levy and 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 25.2%, from HK$0.8 million in FY2021 to HK$1.0 million in FY2022, which was mainly due to the increase of exploration activities.

Impairment loss on trade and other receivables

The impairment loss on trade and other receivables decreased by HK$38.7 million, or approximately 83.4%, from HK$46.4 million in FY2021 to HK$7.7 million in FY2022, which was mainly due to the absence of expected credit loss for other receivables amounting to HK$46.4 million recognized in FY2021, which were primarily related to the Loan Agreement (as referred to in the section headed "MAJOR RISK MANAGEMENT" below).

Net finance cost/income

The net finance cost/income of the continuing operations decreased by HK$6.2 million, or approximately 166.9%, from a net finance income of HK$3.7 million in FY2021 to a net finance cost of HK$2.5 million in FY2022 due to the foreign exchange loss as a result of the depreciation of RMB against HK$.

Loss before taxation from continuing operations

Loss before taxation from continuing operations decreased by HK$256.2 million from a loss of HK$475.1 million in FY2021 to a loss of HK$218.9 million in FY2022, which was primarily due to the cumulative effects of factors as discussed above in this section.

Income tax expense

Income tax expense from continuing operations increased by HK$2.4 million, or approximately 31.0% from HK$7.9 million in FY2021 to HK$10.3 million in FY2022. It mainly includes 1) current tax expense of HK$24.4 million mainly due to the increase of crude oil price which led to Hongbo Mining making relevant tax payment to the authority and tax filling differences in FY2022; and 2) deferred tax credit of HK$14.1 million mainly due to other changes arising from the temporary differences of the provision for depreciation of oil and gas properties of Hongbo Mining.

Loss for the year from continuing operations

Loss for the year from continuing operations decreased significantly by HK$253.8 million, or approximately 52.5% from HK$483.0 million in FY2021 to HK$229.2 million in FY2022, 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 profit/loss before taxation, it is the most directly comparable financial performance measures calculated and presented in accordance with financial reporting standards and interpretations issued by the Hong Kong Institute of Certified Public Accountants. EBITDA refers to earnings before interest expenses, income tax, depreciation and amortisation.

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

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

	Year ended 31 March	
	2023	2022
	HK$'000	*HK$'000*
Loss before taxation from continuing operations	**(218,874)**	(475,100)
Add: Interest expenses	**1,749**	4,717
Add: Depreciation and amortisation	**89,343**	59,494
EBITDA from continuing operations	**(127,782)**	(410,889)

The EBITDA from continuing operations changed from a loss of HK$410.9 million in FY2021 to a loss of HK$127.8 million in FY2022. The significant increase of EBITDA was primarily attributable to: (1) investment income of approximately HK$20.3 million was recognized from the Stonehold Investment in FY2022 upon Stonehold's disposal of its underlying assets in July 2022 (FY2021: investment loss of HK$362.4 million); (2) recognition of investment income of HK$13.4 million from JOVO investment, which completed its IPO and began trading on the Shanghai Stock Exchange in May 2021 and led to a significant gain from fair value change recorded in the previous year of approximately HK$144.6 million; (3) reduction in investment loss of approximately HK$63.1 million from fair value changes in investment projects and the interest pick up in associates; and (4) the net loss caused by the increase of administrative and R&D expenses of approximately HK$75.9 million (excluding depreciation and amortization) resulted from the rapid development and expansion of the Company's pan-semiconductor business in semiconductor and solar industry 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$87.8 million.

SEGMENT INFORMATION

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

- Pan-semiconductor: this segment operates in R&D 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**	
	Year ended 31 March		**Year ended 31 March**		**Year ended 31 March**		**Year ended 31 March**	
	2023	2022	**2023**	2022	**2023**	2022	**2023**	2022
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Revenue from external customers *(note)*	**379,166**	–	**188,345**	138,326	**–**	751,157	**567,511**	889,483
Investment loss	**–**	–	**(13,981)**	(328,640)	**–**	–	**(13,981)**	(328,640)
Gain on deemed disposal of Weipin	**–**	–	**–**	–	**–**	91,246	**–**	91,246
Reportable segment (loss)/profit (EBITDA)	**(103,332)**	–	**(24,425)**	(410,649)	**–**	68,752	**(127,757)**	(341,897)
Depreciation and amortisation	**(21,511)**	–	**(67,832)**	(59,494)	**–**	(23,998)	**(89,343)**	(83,492)
Interest income	**163**	–	**7,606**	5,926	**–**	99	**7,769**	6,025
Interest expense	**(871)**	–	**(903)**	(4,717)	**–**	(382)	**(1,774)**	(5,099)
Impairment loss on trade and other receivables	**(761)**	–	**(6,938)**	(46,445)	**–**	(4,394)	**(7,699)**	(50,839)
Reportable segment assets	**1,172,371**	–	**2,209,297**	2,873,106	**–**	–	**3,381,668**	2,873,106
(including interest in associates)	**19,655**	–	**233,166**	290,326	**–**	–	**252,821**	290,326
Additions to non-current segment assets during the year	**188,402**	–	**34,594**	15,197	**–**	13,551	**222,996**	28,748
Reportable segment liabilities	**(897,926)**	–	**(269,847)**	(250,771)	**–**	–	**(1,167,773)**	(250,771)

The measure used for reporting segment profit/(loss) is EBITDA.

For details of segment information of the Group, please refer to Note 3(b) to the consolidated financial information.

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 the section headed "Business Review — Use of proceeds from the Foxconn Subscription" in this final results announcement.

The cash and cash equivalents are mostly denominated in US$, HK$ and RMB. As at 31 March 2023, the Group had unpledged cash and bank deposits of HK$474.8 million (31 March 2022: HK$929.3 million).

The Group also had restricted cash of HK$269.6 million (31 March 2022: nil). It was the funds obtained from the sale of JOVO shares in the A-share market. It is in the process of FDI (Foreign Direct Investment). As at the date of this final results announcement, HK$246.5 million has completed the FDI process and recorded as cash and cash equivalents.

As at 31 March 2023, the Group had outstanding loans of HK$64.0 million (31 March 2022: HK$7.4 million).

Save as the information disclosed above or otherwise in this final 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 31 March 2023.

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

As at 31 March 2023, the gearing ratio (ratio of the sum of total bank and other borrowings to the total assets) was approximately 2.1% (31 March 2022: 0.3%).

MAJOR RISK MANAGEMENT

The market risk exposures of the Company in its operations 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 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 Group.

In FY2022, the Company purchased swaps for part of the nine-month production of Hongbo Mining from July 2022 to March 2023. The swaps placed the Company in a hedged position, protecting the Company from the risk of decline in the oil price over the stipulated period of time and preserving the value of the assets of Hongbo Mining. As at 31 March 2023, the Company did not hold any such swap.

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 realizable 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 risks.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the 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 the expected credit loss for trade receivables amounting to HK$0.6 million recognized in FY2022 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 purpose 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 on 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 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 recognized 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 Group's liquidity needs.

As at 31 March 2023, the Group held 2,054,859 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' earnings by increasing the fixed fees payable to drivers for a given trip and its incentives to drivers. Further, Weipin has indicated that it will continue to provide more resources and access to larger driver pools in the future.

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

SIGNIFICANT INVESTMENTS

As at 31 March 2023, 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 Purchaser entered into a series of agreements, including the Sale and Purchase agreement with 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 the Target Companies, together with some related business contracts, IP licensing arrangements and non-competition arrangements, at an aggregate consideration of approximately EUR57 million.

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 Target Companies, 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 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, in FY2022, there was no major acquisition or disposal by the Group.

CHARGES ON ASSETS OF THE GROUP

As at 31 March 2023, Hongbo Mining's land, buildings, machinery and equipment amounting to approximately HK$84.7 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 31 March 2023, there had been no litigation, arbitration or claim of material importance in which the Group was engaged or pending or which as threatened against the Group.

CAPITAL COMMITMENTS

As at 31 March 2023, the Group had the capital commitment of HK$3.9 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 as at the adoption date. 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 as at the adoption date.

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 Group 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 Group 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 Group 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 (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.

On 10 March 2023, 24,549,980 Awarded Shares, representing approximately 0.32% of the total shares of the Company then in issue, were granted to 45 employees of the Group pursuant to the terms of the Share Award Scheme at nil consideration. The 24,549,980 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.

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.

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, 27 September 2022 and 10 March 2023, and the circular of the Company dated 6 September 2022.

EMPLOYEES

As at 31 March 2023, the Group had 360 (31 March 2022: 101) employees in Hong Kong and the PRC. In FY2022, the total staff costs (including the Directors' emoluments and equity settled share-based compensation amounted to approximately HK$52.0 million) amounted to HK$167.0 million (FY2021: HK$82.2 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 Group did not have any other future plans for material investments or capital assets as at 31 March 2023. 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 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. As at the date of this final results announcement, Mr. Chau Shing Yim David is the chairman of the Audit Committee and the other two members are Mr. Cao Xiaohui and Mr. Wang Guoping. 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 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 consolidated financial statements and the final results of the Group for FY2022 with no disagreement on the accounting treatment adopted by the Company.

FINAL DIVIDEND

The Directors do not recommend the payment of a final dividend for FY2022 (FY2021: Nil).

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

In December 2022 and January 2023, the Company repurchased a total of 157,736,000 ordinary shares of the Company on the Stock Exchange, with an aggregate consideration paid amounting to HK$160,265,700. All the shares repurchased by the Company were subsequently cancelled on 31 March 2023 and the issued share capital of the Company was reduced thereon. The repurchase was effected by the Board for the enhancement of Shareholder value in the long term. Details of the shares repurchased are as follows:

		Repurchase price per share		
Month of repurchase	**No. of shares repurchased**	**Highest price paid**	**Lowest price paid**	**Aggregate consideration paid**
		HK$	*HK$*	*HK$*
December 2022	150,348,000	1.03	0.99	153,038,520
January 2023	7,388,000	1.01	0.92	7,227,180
Total	157,736,000			160,265,700

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed shares in FY2022.

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 set out in Part 2 of 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 FY2022, 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 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 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 have been 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 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.

SCOPE OF WORK OF INDEPENDENT AUDITOR

The financial figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 March 2023 as set out in this final results announcement have been compared and agreed by the Company's auditor, KPMG, Public Interest Entity Auditor registered in accordance with Accounting and Financial Reporting Council Ordinance, to the amounts set out in the Group's audited consolidated financial statements for the year ended 31 March 2023. The work performed by KPMG in this respect did not constitute an audit, review or other assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by KPMG on this final results announcement.

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

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

Having made specific enquiries by the Company, all Directors have confirmed that they have complied with the required standard set out in the Model Code throughout FY2022.

PUBLICATION OF FINAL RESULTS AND ANNUAL REPORT

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

The annual report of the Company for FY2022 containing all the information required by Appendix 16 to the Listing Rules will be despatched to the Shareholders and published on the websites of the Stock Exchange and the Company in due course.

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

Hong Kong, 29 June 2023

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. Chau Shing Yim David, and Mr. Wang Guoping.

* *For identification purpose only*