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ENERGY INTERNATIONAL INVESTMENTS HOLDINGS LIMITED
能源國際投資控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 353)

INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023

The board (the "**Board**") of directors (the "**Directors**") of Energy International Investments Holdings Limited (the "**Company**") is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (the "**Group**") for the six months ended 30 September 2023 (the "**Period**"). The unaudited consolidated interim results have not been audited, but have been reviewed by the Company's audit committee (the "**Audit Committee**").

CONDENSED CONSOLIDATED INCOME STATEMENT
For the six months ended 30 September 2023

		(Unaudited) Six months ended 30 September	
		2023	2022
	Notes	***HK$'000***	*HK$'000*
Revenue	4	**156,110**	84,037
Cost of sales and services rendered		**(79,790)**	(1,835)
Gross profit		**76,320**	82,202
Interest revenue	5(a)	**1,500**	1,465
Other income and other gains/(losses), net	5(b)	**(9,488)**	(6,579)
Selling and distribution expenses		**(743)**	(3,030)
Administrative expenses		**(19,070)**	(13,914)
Net gain on derecognition of financial assets and liabilities		**–**	54,872
Finance costs	7	**(4,643)**	(7,735)
Profit before income tax		**43,876**	107,281
Income tax expenses	8	**(10,867)**	(11,961)
Profit for the period	9	**33,009**	95,320

* *For identification purpose only*

	Notes	(Unaudited) Six months ended 30 September **2023** ***HK$'000***	2022 *HK$'000*
Profit attributable to:			
Owners of the Company		**18,424**	76,885
Non-controlling interests		**14,585**	18,435
		33,009	95,320
Earnings per share	11		
Basic and diluted *(HK cents per share)*		**2.35**	10.67

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2023

	(Unaudited) Six months ended 30 September	
	2023	2022
	HK$'000	*HK$'000*
Profit for the period	**33,009**	95,320
Other comprehensive expenses, net of tax		
Item that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of foreign operations	**(71,859)**	(124,563)
Total comprehensive expenses for the period	**(38,850)**	(29,243)
Total comprehensive (expenses)/income attributable to:		
Owners of the Company	**(41,219)**	(25,499)
Non-controlling interests	**2,369**	(3,744)
	(38,850)	(29,243)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2023

	Notes	(Unaudited) 30 September 2023 HK$'000	(Audited) 31 March 2023 HK$'000
Non-current assets			
Property, plant and equipment		**5,188**	5,652
Right-of-use assets		**5,010**	1,033
Investment properties	12	**1,472,641**	1,565,499
Goodwill		**–**	–
		1,482,839	1,572,184
Current assets			
Trade and lease receivables	13	**161,325**	190,338
Prepayments, deposits and other receivables		**69,488**	140,250
Financial assets at fair value through profit or loss		**11,019**	12,937
Cash and bank balances		**363,710**	83,092
		605,542	426,617
Current liabilities			
Other payables		**66,188**	54,764
Bank borrowings		**161,517**	154,265
Lease liabilities		**2,655**	1,160
Promissory notes		**–**	5,138
Tax payables		**3,623**	3,858
		233,983	219,185
Net current assets		**371,559**	207,432
Total assets less current liabilities		**1,854,398**	1,779,616

	Notes	(Unaudited) 30 September 2023 HK$'000	(Audited) 31 March 2023 HK$'000
Non-current liabilities			
Bank borrowings		**–**	20,569
Other borrowings		**10,303**	10,652
Preferred shares		**364,888**	378,234
Lease liabilities		**4,476**	2,133
Deferred tax liabilities		**193,640**	194,889
		573,307	606,477
Net assets		**1,281,091**	1,173,139
Capital and reserves			
Share capital		**10,806**	7,206
Reserves		**963,891**	861,908
Equity attributable to owners of the Company		**974,697**	869,114
Non-controlling interests		**306,394**	304,025
Total equity		**1,281,091**	1,173,139

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 September 2023

1. GENERAL INFORMATION

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

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

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

– Insurance brokerage service (the "**Insurance Brokerage Service**") representing the business of providing insurance brokerage service.

These unaudited condensed consolidated interim financial statements have been prepared in accordance with Hong Kong Accounting Standard ("**HKAS**") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") and the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**").

These unaudited condensed consolidated interim financial statements have been prepared in accordance with the same accounting policies adopted in the 2022/23 annual financial statements, excepted for the accounting policy changes that are expected to be reflected in the 2023/24 annual financial statements.

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

These unaudited condensed consolidated interim financial statements contain condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2022/23 annual financial statements. The unaudited condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the HKICPA.

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

2. ADOPTION OF AMENDMENTS TO HKFRSs

In the Period, the Group has adopted all the amendments to HKFRSs, for the first time, which are mandatorily effective for the annual periods beginning or after 1 April 2023 for the preparation of the Group's condensed consolidated interim financial statements. The application of the amendments to HKFRSs did not result in significant changes to the Group's accounting policies, presentation of the Group's condensed consolidated interim financial statements and amounts reported for the Period and prior years.

3. BASIS OF PREPARATION

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

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

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

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

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

Final decision on the Change of Exploration Right Agreement

As soon as the Group had discovered the loss of QHFSMI's exploration licence, the Group commenced the legal proceedings against Ms Leung for getting back the exploration licence. In March 2016, the Company received the final decision letter from the Qinghai Procuratorate that the Change of Exploration Right Agreement was invalid.

De-consolidating QHFSMI and IMFSMI

Given that (i) the discovery of the loss of significant assets of QHFSMI; (ii) Ms Leung's legal status as director and legal representative in QHFSMI and IMFSMI remained unchanged; and (iii) the Group was unable to obtain the financial information of QHFSMI and IMFSMI, the Directors considered that the Group had no power over QHFSMI and IMFSMI, exposure, or rights, to variable returns from QHFSMI and IMFSMI and the ability to use its power to affect those variable returns.

Subsequent development following the obtaining of PRC Court's final decision

After the obtaining of PRC Court's final decision, the Group instructed its PRC lawyers to seek the enforce the judgment with the view to regaining its controlling power over QHFSMI and IMFSMI. Further, the Group was previously given to understand by its legal advisers that Yuen Xian Company had obtained the mining licence on the Mine, which had caused complexity to the Group's enforcement efforts. The Group is taking legal advice from its PRC lawyers in this regard.

The Group is currently making an overall review of its position in QHFSMI, IMFSMI and the Mine, including without limitation the possible disposal of the holding company of QHFSMI and IMFSMI to limit our loss on this matter, if the recovery chance and recovery amount do not justify the spending of further legal costs and efforts. In the opinion of the Directors, the outcome of the review is unlikely to result in any further impact on the financial position and operations of the Group, as QHFSMI and IMFSMI had already been deconsolidated since 2010.

4. REVENUE

	(Unaudited) Six months ended 30 September	
	2023	2022
	HK$'000	*HK$'000*
Revenue from contracts with customers within the scope of HKFRS 15 at a point in time		
Disaggregated by major products or service lines		
– Agency income from insurance brokerage service	**11**	9
– Agency income from trading of oil and liquefied chemical products	**–**	3,785
– Sale of oil and liquefied chemical products	**78,520**	–
	78,531	3,794
Revenue from other sources		
Rental income from investment properties	**77,579**	80,243
Total revenue	**156,110**	84,037
Geographical markets		
– the PRC	**156,099**	84,028
– Hong Kong	**11**	9
	156,110	84,037

Contracts with customers with unsatisfied performance obligations on the abovementioned revenue, have original expected duration of one year or less. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

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

(a) Interest revenue

	(Unaudited) Six months ended 30 September	
	2023	2022
	HK$'000	*HK$'000*
Bank interest income	**723**	30
Loan interest income	**–**	52
Other interest income	**777**	1,383
	1,500	1,465

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

	(Unaudited) Six months ended 30 September	
	2023	2022
	HK$'000	*HK$'000*
Exchange loss, net	**(1,380)**	–
Fair value loss on financial assets at fair value through profit or loss, net	**(1,918)**	(2,302)
Fair value loss on preferred shares	**(9,897)**	(10,495)
Reversal of impairment loss under expected credit loss model on deposits and other receivables, net	**3,559**	5,861
Rental income from sub-letting of leased assets	**24**	24
Government grants *(note)*	**–**	194
Loss on disposal of property, plant and equipment	**–**	(3)
Sundry income	**124**	142
	(9,488)	(6,579)

Note: Government grants represent subsidies received in connection with the support from the Anti-epidemic Fund of the Government of Hong Kong Special Administration Region. The purpose of the funding is to provide financial support to enterprises to retain their employees who would otherwise be made redundant. Under the terms of the grant, the Group is required not to make redundancies during the subsidy period and to spend all funding on paying wages to the employees.

6. SEGMENT INFORMATION

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

– the Oil and Liquefied Chemical Terminal segment represents the business of the leasing of the Port and Storage Facilities located in Shandong Province, the PRC, and provision of agency services and trading of oil and liquefied chemical products; and

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

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

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

	Oil and Liquefied Chemical Terminal *HK$'000*	Insurance Brokerage Service *HK$'000*	Total *HK$'000*
For the six months ended 30 September 2023 (unaudited)			
Revenue from external customers	**156,099**	**11**	**156,110**
Reportable segment profit/(loss)	**55,121**	**(252)**	**54,869**
Interest revenue	**721**	**–**	**721**
Depreciation of property, plant and equipment	**(789)**	**–**	**(789)**
Fair value loss on preferred shares	**(9,897)**	**–**	**(9,897)**
Interest expense on bank and other borrowings	**(4,175)**	**–**	**(4,175)**
Income tax expenses	**(10,867)**	**–**	**(10,867)**
As at 30 September 2023 (unaudited)			
Segment assets	**2,007,703**	**401**	**2,008,104**
Additions to non-current assets during the period	**3,090**	**–**	**3,090**
Segment liabilities	**(761,504)**	**–**	**(761,504)**
For the six months ended 30 September 2022 (unaudited)			
Revenue from external customers	84,028	9	84,037
Reportable segment profit/(loss)	63,340	(226)	63,114
Interest revenue	28	–	28
Depreciation of property, plant and equipment	(225)	–	(225)
Fair value loss on preferred shares	(10,495)	–	(10,495)
Interest expense on bank and other borrowings	(6,952)	–	(6,952)
Income tax expenses	(11,961)	–	(11,961)
As at 31 March 2023 (audited)			
Segment assets	1,923,232	56	1,923,288
Additions to non-current assets during the year	15,159	–	15,159
Segment liabilities	(785,001)	(2)	(785,003)

Reconciliations of reportable segment revenue and profit or loss:

Revenue

There was no inter-segment sale and transfer during the six months ended 30 September 2023 and 2022.

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

Profit or loss

	(Unaudited) Six months ended 30 September 2023 *HK$'000*	2022 *HK$'000*
Total profit of reportable segments	**54,869**	63,114
Finance costs	**(4,643)**	(7,735)
Other unallocated corporate income/(expenses):		
– Interest revenue	**779**	1,437
– Administrative expenses	**(7,414)**	(8,281)
– Reversal of impairment loss under expected credit loss model on deposit and other receivables	**3,559**	5,861
– Net gain on derecognition of financial assets and liabilities	**–**	54,872
– Fair value loss on financial assets at fair value through profit or loss, net	**(1,918)**	(2,302)
Other corporate income less other corporate expenses	**(1,356)**	315
Consolidated profit before income tax for the period	**43,876**	107,281

7. FINANCE COSTS

	(Unaudited) Six months ended 30 September 2023 *HK$'000*	2022 *HK$'000*
Interest on bank and other borrowings	**4,526**	7,318
Interest on promissory notes	**84**	194
Interest on lease liabilities	**33**	223
Interest expense on financial liabilities not at fair value through profit or loss	**4,643**	7,735

8. INCOME TAX EXPENSES

	(Unaudited) Six months ended 30 September 2023 *HK$'000*	2022 *HK$'000*
Current tax		
– PRC Enterprise Income Tax ("**EIT**")	**–**	–
Deferred tax – PRC		
– Current period	**10,867**	11,961
Income tax expenses	**10,867**	11,961

No provision for Hong Kong Profits Tax is required since the Group has no assessable profit for both periods.

Under the EIT Law of the PRC (the "**EIT Law**") and Regulation on Implementation of the EIT Law, the tax rate of the PRC subsidiaries of the Group is 25% for both periods.

9. PROFIT FOR THE PERIOD

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

	(Unaudited) Six months ended 30 September 2023 *HK$'000*	2022 *HK$'000*
Carrying amount of inventories sold	**77,888**	–
Depreciation of property, plant and equipment	**798**	240
Depreciation of right-of-use assets	**1,251**	2,191
Gross rental income from investment properties	**(77,579)**	(80,243)
Direct operating expenses arising from investment properties that generated rental income	**1,388**	1,203
Staff costs (including Directors' emoluments):		
– Salaries, bonuses and allowance	**7,634**	8,201
– Retirement benefit scheme contributions	**487**	529
	8,121	8,730

10. DIVIDENDS

The Board did not recommend any payment of interim dividends during the Period (six months ended 30 September 2022: Nil).

11. EARNINGS PER SHARE

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

	(Unaudited) Six months ended 30 September	
	2023	2022
Earnings	***HK$'000***	*HK$'000*
Profit for the period attributable to the owners of the Company	**18,424**	76,885
Number of shares	***'000***	*'000*
Weighted average number of ordinary shares for the purpose of basic earnings per share	**783,514**	720,563

Diluted earnings per share for the six months ended 30 September 2023 and 2022 were the same as the basic earnings per share, as the Company has no potential dilutive ordinary shares.

12. INVESTMENT PROPERTIES

During the Period, the additions to investment properties at cost amounted to approximately HK$2,415,000 (six months ended 30 September 2022: HK$6,499,000). As at 30 September 2023 and 31 March 2023, the entire investment properties were pledged to secure the Group's bank borrowings.

13. TRADE AND LEASE RECEIVABLES

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

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

	(Unaudited) **30 September** **2023** ***HK$'000***	(Audited) 31 March 2023 *HK$'000*
0 – 90 days	**35,714**	164,538
91 – 180 days	**125,428**	25,605
181 – 365 days	**183**	195
	161,325	190,338

As at 30 September 2023 and 31 March 2023, the Group did not hold any collateral over these balances.

14. EVENT AFTER REPORTING DATE

Subsequent to the Period, the Group entered into a sale and purchase agreement with an independent third party to the Group (the "**Purchaser**"), pursuant to which the Group had conditionally agreed to sell, and the Purchaser had conditionally agreed to purchase, the entire issued share capital of iECO Financial Consulting Limited ("**iECO**"), a wholly-owned subsidiary of the Group for an aggregate consideration of approximately HK$1,162,000, which was arrived at following arm's length negotiation with the Purchaser and was higher than iECO's net assets. iECO was a licensed insurance intermediary in Hong Kong. For the two years ended 31 March 2023 and 2022, iECO only contributed insignificant revenue to the Group and was loss-making. Its segment assets were also insignificant to the Group. The disposal was completed on 12 October 2023.

MANAGEMENT DISCUSSION AND ANALYSIS

Operating results

The Group is principally engaged in the leasing of the Port and Storage Facilities, and provision of agency services and trading of oil and liquefied chemical products and insurance brokerage service.

(i) Revenue

For the Period, the Group's record revenue was approximately HK$156 million (six months ended 30 September 2022: HK$84 million). The Group's revenue is mainly contributed from the rental income generated from the leasing of the Port and Storage Facilities to an independent operator (the "**Present Operator**") and certain petrochemical industry participants of approximately HK$78 million (six months ended 30 September 2022: HK$80 million) in total and provision of agency services and trading of oil and liquefied chemical products of approximately HK$78 million (six months ended 30 September 2022: HK$4 million) in aggregate.

(ii) Gross profit

For the Period, the Group's record gross profit was approximately HK$76 million (six months ended 30 September 2022: HK$82 million). The Board believes that the stable rental income generated from the leasing of the Port and Storage Facilities to different parties enables the Group to maintain the gross profit position.

(iii) Profit attributable to the owners of the Company

The Group recorded a profit attributable to the owners of the Company of approximately HK$18 million for the Period (six months ended 30 September 2022: HK$77 million), such decrease is mainly attributable to the net gain on the derecognition of financial assets and liabilities of approximately HK$55 million recognised for the six months ended 30 September 2022 and no such gain for the Period; and the depreciation of Renminbi ("**RMB**") against HK$ in the Period as compared to the corresponding period in 2022.

Business review

Operation of liquid chemical terminal, storage and logistics facilities business

In 2015, the Group acquired 51% equity interest in Shandong Shundong Port Services Company Limited ("**Shundong Port**"). Shundong Port owns two sea area use rights covering an aggregate area available for land-forming and reclamation construction of approximately 31.59 hectares in Dongying Port, Shandong Province, the PRC and permitting the construction of reclamation and land-forming for use in sea transportation and port facilities for a 50-years' period running from 13 November 2014 to 12 November 2064 and 23 February 2016 to 22 February 2066 respectively. Shundong Port has completed the construction and commenced leasing of its Port and Storage Facilities since 2017 with full commercial operation having been achieved in May 2018. Approximately HK$78 million of rental income was generated during the Period.

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

In June 2022, the Group further acquired RMB18,958,403 of the registered capital of Shundong Port, representing 8.50% of the voting right and right to profit-based variable dividend. The acquisition was completed in July 2022 and the Group's equity holding of Shundong Port has been increased from 46.67% to 55.17%.

Financial review

Liquidity, financial resources and capital structure

As at 30 September 2023, the Group had total assets of approximately HK$2,088 million (31 March 2023: HK$1,999 million), total liabilities of approximately HK$807 million (31 March 2023: HK$826 million), indicating a gearing ratio of 0.39 (31 March 2023: 0.41) on the basis of total liabilities over total assets. The current ratio of the Group as at 30 September 2023 was 2.59 (31 March 2023: 1.95) on the basis of current assets over current liabilities.

As at 30 September 2023, the Group had bank and other borrowings of approximately HK$162 million and HK$10 million respectively (31 March 2023: HK$175 million and HK$11 million respectively). The aggregate bank deposits and cash in hand of the Group were approximately HK$364 million (31 March 2023: HK$83 million).

Contingent liabilities

As at 30 September 2023 and 31 March 2023 the Group did not have any significant contingent liabilities.

Capital commitments

The Group had capital commitments contracted but not provided for of approximately HK$108 million as at 30 September 2023 (31 March 2023: HK$113 million).

Charges on assets

As at 30 September 2023, the entire investment properties of approximately HK$1,473 million (31 March 2023: HK$1,565 million) were pledged to secure for the Group's bank borrowings.

Exchange exposure

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

Employee information

As at 30 September 2023, the Group employed 66 full-time employees (31 March 2023: 58). The Group's emolument policies are formulated on the performance of individual employees and are reviewed annually in line with industry practice. The Group also provides provident fund schemes (as the case may be) to its employees depending on the location of such employees.

Interim dividends

The Board did not recommend the payment of any interim dividend for the Period (six months ended 30 September 2022: Nil).

Future plan and prospects

Operation of liquid chemical terminal, storage and logistics facilities business

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

In December 2020, Shundong Port entered into a lease agreement (the "**2020 Lease Agreement**") with the Present Operator whereby Shundong Port agreed to lease the Port and Storage Facilities to the Present Operator with effect from 1 January 2021 until 19 May 2023. The gross annual rent (including value-added tax) amounted to RMB140 million with effect from 1 January 2021 until 31 March 2022, and increased to RMB150 million with effect from 1 April 2022 until 19 May 2023. Details was disclosed in the announcement of the Company dated 30 December 2020.

Upon the expiry of the 2020 Lease Agreement, the Company expects to re-possess and self-operate at least part of the Port and Storage Facilities. As affected by the lockdown measures and COVID-19, the recruitment and training of the Group's own specialist team was delayed in 2022, as a result of which the Group has not yet obtained all necessary licenses for the self-operation of part of the Port and Storage Facilities before the expiry of the 2020 Lease Agreement. To ensure the undisrupted services of the end customers of the Port and Storage Facilities, Shundong Port entered into a short-term lease agreement (the "**Short-term Lease Agreement**") with the Present Operator on 18 May 2023, pursuant to which Shundong Port agreed to continue to lease the whole Port and Storage Facilities to the Present Operator up to 31 July 2023 at a monthly rent of RMB12.5 million (including value-added tax).

On 12 July 2023, Shundong Port entered into a new lease agreement (the "**New Lease Agreement**") with the Present Operator whereby Shundong Port continued to lease the Port and Storage Facilities (with the exception of the 14 gas tanks (the "**Self-operated Gas Tanks**") which are proposed to be re-possessed and self-operated by the Group) to the Present Operator for the term commencing from 1 August 2023 (i.e. the date immediately after the expiry of the Short-term Lease Agreement) and expiring on 31 July 2028.

On 1 August 2023, Shundong Port commenced the operation of leasing of the Self-operated Gas Tanks to independent third parties and approximately HK$8 million rental income was generated during the Period.

Leveraging on the ample experience of the Group's specialist team, and barring the unforeseen circumstances, the Company anticipates that the Port and Storage Facilities will continue to contribute significant income to the Group whether through leasing or self-operation.

Insurance brokerage business

Following the completion of the acquisition of an insurance brokerage entity, the Group creates an independent business segment in August 2018. The original business plan was to initially offer insurance products to high net worth individuals having businesses and assets based in both the PRC and Hong Kong, and later developed into an integrated financial services segment comprising other services and products such as stock brokerage, margin financing, lending and asset management. In fact, the Group had at one stage sought to purchase an acquisition target having the necessary SFC licenses in 2020 (the "**2020 Acquisition**"). However, as affected by the social unrest in Hong Kong in 2019, the travel restrictions due to COVID-19 between 2020 and 2022, the credit crisis of PRC property developers since 2021 and the slower-than-expected recovery rate in economy after COVID-19, our insurance brokerage business did not roll out as originally planned and only contributed insignificant revenue to the Group. For the same reasons, we aborted the 2020 Acquisition in 2022 and put our bigger plan of developing into an integrated financial services provider on hold, pending the clarification of the economic outlook post-COVID and national policy in the PRC. On 12 October 2023, the Group disposed the insurance brokerage entity to an independent third party.

Despite the abortion of the 2020 Acquisition, the Group has not given up on its plan to develop its integrated financial services business in the long run. However, in the light of the focusing of national policy on "common prosperity" in the PRC in recent years, the Group considered it necessary to adjust its financial business plan to focus on mass consumers in the PRC rather than high net worth individuals. Since 2021, the Group has been exploring suitable business opportunities in the PRC. After conducting preliminary assessment and internal screening of projects, the Group had selected one PRC financial services and technology project focused on consumer credit (the "**PRC Fintech Project**") to pursue further, including the carrying out of more thorough due diligence and arm's length negotiation as regards the commercial terms of possible acquisition/investment/cooperation with the relevant business counterparty(ies), who are independent third parties unrelated to the Company and its connected persons. At present, the Group had yet to finalise any transaction structure or consideration amount but if the transaction materialises in the form of acquisition of controlling stake of the PRC Fintech Project, we presently estimate that the transaction may be classified as a major acquisition for the Company at most. The Company wants to emphasise that this transaction may or may not proceed, and up to the date hereof, no legally binding agreement has been entered into yet. Further announcement(s) may be made as and when any disclosure obligations are triggered by any material development of this PRC Fintech Project.

CONNECTED TRANSACTION INVOLVING SUBSCRIPTION OF NEW SHARES UNDER SPECIFIC MANDATE

On 28 April 2023, the Company and Cosmic Shine International Limited (the "**Subscriber**"), a company incorporated in the British Virgin Islands and legally and beneficially owned as to 50% by Mr. Cao Sheng and 20% by Mr. Liu Yong, who are the executive Directors, entered into a subscription agreement (the "**Subscription Agreement**"), pursuant to which the Subscriber conditionally agreed to subscribe for 360,000,000 ordinary shares of the Company at the subscription price of HK$0.416 per share ("**Subscription Shares**") for a total consideration of approximately HK$149.8 million in cash; and the Company has conditionally agreed to allot and issue the Subscription Shares to the Subscriber under the specific mandate and the whitewash waiver (the "**Subscription**").

All conditions of the Subscription Agreement have been fulfilled and the completion took place on 30 August 2023 in accordance with the terms and conditions of the Subscription Agreement. Upon completion, 360,000,000 Subscription Shares were duly allotted and issued by the Company to the Subscriber at the Subscription Price of HK$0.416 per Subscription Share under the specific mandate obtained from the independent shareholders at the extraordinary general meeting of the Company held on 18 August 2023.

Details of the Subscription were set out in the Company's announcements dated 28 April 2023, 9 May 2023, 16 May 2023, 16 June 2023, 21 June 2023, 14 July 2023, 21 July 2023, 28 July 2023, 18 August 2023 and 30 August 2023 and circular dated 28 July 2023.

As at 30 September 2023, utilisation of the net proceeds of approximately HK$146.8 million is as follows:

	Intended use of proceeds *HK$'million*	Amount utilised up to 30 September 2023 *HK$'million*	Unutilised as at 30 September 2023 *HK$'million*
Repayment of the promissory note	5.2	(5.2)	–
Repayment of the bank loan	141.6	(5.7)	135.9
	146.8	(10.9)	135.9

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

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

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company and the Board have applied the principles in the code provisions of the Corporate Governance Code and Corporate Governance Report (the "**CG Code**") contained in Appendix 14 to the Listing Rules by adopting the code provisions of the CG Code.

During the Period, the Board has adopted and complied with the code provisions of the CG Code in so far they are applicable with the exception of the deviation from code provision C.1.6 of the CG Code.

Under code provision C.1.6 of the CG Code, independent non-executive directors and other non-executive directors should attend general meetings and develop a balanced understanding of the views of shareholders. Mr. Wang Jinghua, the independent non-executive Director, was unable to attend the annual general meeting of the Company held on 29 September 2023 due to other business commitments.

MODEL CODE FOR SECURITIES TRANSACTIONS

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

AUDIT COMMITTEE

The Audit Committee was established with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the suggested terms of reference stated under the code provision C.3 of the CG Code. The Audit Committee currently comprises three independent non-executive Directors and is chaired by Mr. Tang Qingbin. The Audit Committee is responsible for review of the Group's accounting principles, practices internal control procedures and financial reporting matters including the review of the interim and final results of the Group prior to recommending to the Board for approval.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This interim results announcement is available for viewing on the websites of the Stock Exchange (www.hkex.com.hk) and the Company (website.energyintinv.wisdomir.com). The interim report containing all the information required by the Listing Rules will be dispatched to the Shareholders and made available on the above websites in due course.

APPRECIATION

I take this opportunity to express our gratitude to the Shareholders for their continued support and our Directors and staff for their contribution to the Company.

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

Hong Kong, 28 November 2023

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