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金泰能源
JINTAINENGYUAN

JINTAI ENERGY HOLDINGS LIMITED
金泰能源控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2728)

ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2023

The board (the "**Board**") of directors (the "**Directors**") of Jintai Energy Holdings Limited (the "**Company**") announces the audited consolidated results of the Company and its subsidiaries (the "**Group**") for the year ended 31 December 2023 (the "**Reporting Period**").

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2023

	NOTES	**2023** **HK$'000**	2022 HK$'000
Revenue	*4*	**1,311,246**	150,286
Cost of sales	*5*	**(1,286,879)**	(122,393)
Gross profit		**24,367**	27,893
Other income		**13,267**	12,857
Other (losses)/gains — net	*6*	**(2,778)**	3,084
Gain on disposal of subsidiaries	*15*	**14,753**	–
Reversal of impairment loss/(impairment loss) on trade receivables	*11*	**89**	(92)
Impairment loss on prepayments to suppliers	*11*	**–**	(32,828)
Administrative expenses	*5*	**(27,912)**	(31,386)
Distribution expenses	*5*	**(6,263)**	(8,811)
Share of loss of an associate	*10*	**(578)**	(47)
Operating profit/(loss)		**14,945**	(29,330)
Finance income		**1,494**	1,386
Finance costs		**(14,166)**	(13,303)
Finance costs — net		**(12,672)**	(11,917)
Profit/(loss) before income tax		**2,273**	(41,247)
Income tax (expense)/credit	*7*	**(1,229)**	462
Profit/(loss) for the year		**1,044**	(40,785)
Profit/(loss) for the year attributable to:			
Owners of the Company		**(24,256)**	(31,913)
Non-controlling interests		**25,300**	(8,872)
		1,044	(40,785)

		2023 ***HK Cents***	2022 *HK Cents*
Loss per share	*9*		
— Basic		**(0.54)**	(0.72)
— Diluted		**NA**	NA

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2023

	2023	2022
	HK$'000	*HK$'000*
Profit/(loss) for the year	**1,044**	(40,785)
Other comprehensive (loss)/income		
Items that may be reclassified subsequently to profit or loss		
— Currency translation differences	**(6,568)**	(47,001)
— Translation reserve released upon disposal/deregistration of subsidiaries	**365**	7
	(6,203)	(46,994)
Total comprehensive loss for the year	**(5,159)**	(87,779)
Total comprehensive loss for the year attributable to:		
Owners of the Company	**(30,621)**	(84,362)
Non-controlling interests	**25,462**	(3,417)
	(5,159)	(87,779)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

	NOTES	2023 HK$'000	2022 HK$'000
Assets			
Non-current assets			
Property, plant and equipment		**1,171**	2,552
Right-of-use assets		**1,728**	2,440
Goodwill		**–**	–
Interest in an associate	*10*	**–**	126,866
Advance payments for assets acquisition		**–**	163,575
		2,899	295,433
Current assets			
Trade and other receivables and prepayments	*11*	**276,605**	49,963
Advance payments for assets acquisition		**–**	101,529
Amounts due from non-controlling shareholders of a subsidiary		**–**	24,500
Cash and cash equivalents		**25,230**	49,238
		301,835	225,230
Total assets		**304,734**	520,663
Equity and liabilities			
Equity attributable to owners of the Company			
Share capital		**5,569**	5,569
Other reserves		**403,971**	415,273
Accumulated losses		**(324,785)**	(306,816)
		84,755	114,026
Non-controlling interests		**1,039**	(12,760)
Total equity		**85,794**	101,266

	NOTES	2023 HK$'000	2022 HK$'000
Liabilities			
Non-current liabilities			
Convertible loan notes	*14*	**136,221**	–
Long service payment obligation		**65**	–
Lease liabilities		**922**	524
Deferred tax liabilities		**7**	–
		137,215	524
Current liabilities			
Trade and other payables	*12*	**14,770**	79,907
Current income tax liabilities		**755**	1,504
Amount due to a director		**1,000**	–
Amount due to a shareholder		**–**	126,118
Amount due to an associate		**–**	121,276
Amounts due to related parties		**5,061**	10,953
Amount due to a non-controlling shareholder of a subsidiary		**16**	–
Borrowings	*13*	**13,387**	30,390
Bond payables		**29,845**	29,028
Derivative financial liabilities	*14*	**1,537**	–
Lease liabilities		**833**	1,955
Contract liabilities		**14,521**	17,742
		81,725	418,873
Total liabilities		**218,940**	419,397
Net current assets/(liabilities)		**220,110**	(193,643)
Total assets less current liabilities		**223,009**	101,790
Total equity and liabilities		**304,734**	520,663

NOTES

1. GENERAL INFORMATION

Jintai Energy Holdings Limited ("**the Company**") was incorporated as an exempted company with limited liability in the Cayman Islands under the Companies Law Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

The directors consider the Company's immediate and ultimate holding company to be Oriental Gold Honour Joy International Holdings Limited (the "**Oriental Gold**"), a company incorporated in the British Virgin Islands (the "**BVI**"). The directors also consider the Company's ultimate controlling party to be Mr. Chen Jinle who is the sole shareholder of Oriental Gold and who resigned as an executive director of the Company on 11 March 2022.

The address of the registered office of the Company is Cricket Square Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands, and the address of the Company's principal place of business is Suite 2601–2603, 26/F, Shui On Centre, 6–8 Harbour Road, Wan Chai, Hong Kong.

The Company and its subsidiaries (together, the "**Group**") are engaged in energy business which comprises mainly the trading of energy-related products, operation of digital trading parks and drilling services. The Group has operations mainly in the People's Republic of China (the "**PRC**" or "**China**").

The Company's functional currency is Renminbi ("**RMB**"). The consolidated financial statements are presented in Hong Kong dollar ("**HK$**") as the directors are of the view that HK$ is appropriate presentation currency for the users of the Group's consolidated financial statements given that the shares of the Company are listed on the Stock Exchange.

2. BASIS OF PREPARATION

The consolidated financial statements of the Company have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**"). For the purpose of preparation to the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and the Hong Kong Companies Ordinance ("**HKCO**").

The preparation of the consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

The directors of the Company have, at the time of approving the consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments, which are measured at fair value.

3. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS

(a) New and amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following new and amendments to HKFRSs issued by the Hong Kong Institutes of Certified Public Accountants (the "**HKICPA**") for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2023 for the preparation of the consolidated financial statements.

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform — Pillar Two model Rules
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies

Except as described below, the new and amendments to HKFRSs in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosure set out in these consolidated financial statements.

Impacts on application of Amendments to HKAS 8 Definition of Accounting Estimates

The amendments define accounting estimates as "monetary amounts in financial statements that are subject to measurement uncertainty". An accounting policy may require items in financial statements to be measured in a way that involves measurement uncertainty. In such a case, an entity develops an accounting estimate to achieve the objective set out by the accounting policy. The amendments to HKAS 8 clarify the distinction between changes in accounting estimates, and changes in accounting policies and the correction of errors.

The application of the amendments in the current year had no material impact on the consolidated financial statements.

Impacts on application of Amendments to HKAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments narrow the scope of the recognition exemption of deferred tax liabilities and deferred tax assets in paragraphs 15 and 24 of HKAS 12 Income Taxes so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

In accordance with the transition provision:

(i) the Group has applied the new accounting policy retrospectively to leasing transactions that occurred on or after 1 January 2022;

(ii) the Group also, as at 1 January 2022, recognised a deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary difference associated with right-of-use-assets and lease liabilities.

The application of the amendments has had no material impact on the Group's financial position and performance, as the related deferred tax balances qualified for offsetting under HKAS 12.

Impacts on application of Amendments to HKAS 1 and HKFRS Practice Statement 2 Disclosure of Accounting Policies

HKAS 1 Presentation of Financial Statements is amended to replace all instances of the term "significant accounting policies" with "material accounting policy information". Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The amendments also clarify that accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. If an entity chooses to disclose immaterial accounting policy information, such information must not obscure material accounting policy information.

HKFRS Practice Statement 2 Making Materiality Judgements (the "**Practice Statement**") is also amended to illustrate how an entity applies the "four-step materiality process" to accounting policy disclosures and to judge whether information about an accounting policy is material to its financial statements.

The application of the amendments has had no material impact on the Group's financial positions and performance.

Change in accounting policy as a result of application of the HKICPA guidance on the accounting implications of the abolition of the Mandatory Provident Fund ("MPF") — Long Service Payment ("LSP") offsetting mechanism in Hong Kong

The Group has several subsidiaries operating in Hong Kong which are obliged to pay LSP to employees under certain circumstances. Meanwhile, the Group makes mandatory MPF contributions to the trustee who administers the assets held in a trust solely for the retirement benefits of each individual employee. Offsetting of LSP against an employee's accrued retirement benefits derived from employers' MPF contributions was allowed under the Employment Ordinance (Cap.57). In June 2022, the Government of the HKSAR gazetted the Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 (the "**Amendment Ordinance**") which abolishes the use of the accrued benefits derived from employers' mandatory MPF contributions to offset severance payment and LSP (the "**Abolition**"). The Abolition will officially take effect on 1 May 2025 (the "**Transition Date**"). In addition, under the Amendment Ordinance, the last month's salary immediately preceding the Transition Date (instead of the date of termination of employment) is used to calculate the portion of LSP in respect of the employment period before the Transition Date.

In July 2023, the HKICPA published "Accounting implications of the abolition of the MPF-LSP offsetting mechanism in Hong Kong" which provides guidance for the accounting for the offsetting mechanism and the impact arising from abolition of the MPF-LSP offsetting mechanism in Hong Kong. In light of this, the Group has implemented the guidance published by the HKICPA in connection with the LSP obligation retrospectively so as to provide more reliable and more relevant information about the effects of the offsetting mechanism and the Abolition.

The Group considered the accrued benefits arising from employer MPF contributions that have been vested with the employee and which could be used to offset the employee's LSP benefits as a deemed contribution by the employee towards the LSP. Historically, the Group has been applying the practical expedient in paragraph 93(b) of HKAS 19 to account for the deemed employee contributions as a reduction of the service cost in the period in which the related service is rendered.

Based on the HKICPA's guidance, as a result of the Abolition, these contributions are no longer considered "linked solely to the employee's service in that period" since the mandatory employer MPF contributions after the Transition Date can still be used to offset the pre-transition LSP obligation. Therefore, it would not be appropriate to view the contributions as "independent of the number of years of service" and the practical expedient in paragraph 93(b) of HKAS 19 is no longer applicable. Instead, these deemed contributions should be attributed to periods of service in the same manner as the gross LSP benefit applying paragraph 93(a) of HKAS 19. Accordingly, the Group has recognised a cumulative catch-up adjustment in profit or loss for the service cost, interest expense and remeasurement effect from changes in actuarial assumptions for the current year, with corresponding adjustment to the LSP obligation. The cumulative catch-up adjustment is calculated as the difference at the enactment date (16 June 2022) between the carrying amount of the LSP liability calculated under paragraph 93(b) of HKAS 19 before the Abolition and the carrying amount of the LSP liability calculated under paragraph 93(a) of HKAS 19 after the Abolition.

This change in accounting policy did not have any impact on the opening balance of equity at 1 January 2022, and the cash flows amounts for the year ended 31 December 2022.

(b) Amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following amendments to HKFRSs that have been issued but are not yet effective:

Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[2]
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback[3]
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)[3]
Amendments to HKAS 1	Non-current Liabilities with Covenants[3]
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements[3]
Amendments to HKAS 21	Lack of Exchangeability[1]

1 Effective for annual periods beginning on or after 1 January 2025.
2 Effective for annual periods beginning on or after a date to be determined.
3 Effective for annual periods beginning on or after 1 January 2024.

Except for the amendments to HKFRSs mentioned below, the directors of the Company anticipate that the application of these amendments to HKFRSs, which are not yet effective, will have no material impact on the consolidated financial statements in the foreseeable future.

Amendments to HKAS 1 Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) (the "2020 Amendments") and Amendments to HKAS 1 Non-current Liabilities with Covenants (the "2022 Amendments")

The 2020 Amendments provide clarification and additional guidance on the assessment of right to defer settlement for at least twelve months from reporting date for classification of liabilities as current or non-current, which:

- clarify that if a liability has terms that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instruments, these terms do not affect its classification as current or non-current only if the entity recognises the option separately as an equity instrument applying HKAS 32 Financial Instruments: Presentation.

- specify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. Specifically, the amendments clarify that the classification should not be affected by management intentions or expectations to settle the liability within 12 months.

For rights to defer settlement for at least twelve months from reporting date which are conditional on the compliance with covenants, the requirements introduced by the 2020 Amendments have been modified by the 2022 Amendments. The 2022 Amendments specify that only covenants with which an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date. Covenants which are required to comply with only after the reporting period do not affect whether that right exists at the end of the reporting period.

In addition, the 2022 Amendments specify the disclosure requirements about information that enables users of financial statements to understand the risk that the liabilities could become repayable within twelve months after the reporting period, if an entity classifies liabilities arising from loan arrangements as non-current when the entity's right to defer settlement of those liabilities is subject to the entity complying with covenants within twelve months after the reporting period.

The 2022 Amendments also defer the effective date of applying the 2020 Amendments to annual reporting periods beginning on or after 1 January 2024. The 2022 Amendments, together with the 2020 Amendments, are effective for annual reporting periods beginning on or after 1 January 2024, with early application permitted. If an entity applies the 2020 Amendments for an earlier period after the issue of the 2022 Amendments, the entity should also apply the 2022 Amendments for that period.

As at 31 December 2023, the Group's outstanding convertible loan notes include counterparty conversion options that do not meet equity instruments classification by applying HKAS 32. The Group classified these instruments as non-current liabilities based on the earliest date in which the Group has the obligation to redeem these instruments through cash settlement. As at 31 December 2023, the host debt component is measured at amortised cost with carrying amount of HK$136,221,000 and classified as non-current liabilities, while the derivative component (including the conversion options) is measured at fair value with carrying amount of HK$1,537,000 and classified as current liability. Upon the application of the 2020 Amendments, in addition to the obligation to redeem through cash settlement, the transfer of equity instruments upon the exercise of the conversion options that do not meet equity instruments classification also constitutes settlement of the convertible instruments. Given that the conversion options are exercisable anytime, the host liability amounting to HK$136,221,000 would be reclassified to current liabilities as the holders have the option to convert within twelve months after the reporting period.

4. REVENUE AND SEGMENT INFORMATION

An analysis of the Group's revenue from contracts with customers for the year is as follows:

	2023	2022
	HK$'000	*HK$'000*
Revenue recognised at point in time:		
Sales of energy trading products	**1,291,246**	116,949
Revenue recognised overtime:		
Operation of digital energy trading parks	**20,000**	33,337
	1,311,246	150,286

The Company's board of directors are the Group's chief operating decision-maker. Management has determined the operating segments based on the information reviewed by the board of directors for the purposes of allocating resources and assessing performance.

The board of directors consider the business from business lines perspective, and assesses the performance of the Group in three business segments, (1) energy business which comprises mainly the trading of energy-related products; (2) operation of digital energy trading parks; and (3) drilling services.

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment profit or loss represents the profit or loss from each segment without allocation of finance income or costs, gain on disposal of subsidiaries, loss/gain on change in fair value of derivative financial liabilities, net foreign exchange loss/gain and share of loss of an associate, and the unallocated operating income and expenses since these activities are driven by the central function and the related income or expenses are individual between segments.

The Group's cash and cash equivalents and certain amount of right-of-use assets and trade and other receivables and prepayments are not considered to be segment assets for reporting to the board of directors as they are managed on a central basis.

The Group's bond payables, borrowings, amounts due to a shareholder, a director, an associate and related parties, convertible loan notes, derivative financial liabilities, long service payment obligation, current income tax liabilities, deferred tax liabilities and certain amount of lease liabilities and trade and other payables are not considered to be segment liabilities for reporting to the board of directors as they are managed on a central basis.

Segment information is as follows:

	2023			
	Energy business *HK$'000*	**Drilling services** *HK$'000*	**Operation of digital energy trading parks** *HK$'000*	**Total** *HK$'000*
External segment revenue	**1,291,246**	**–**	**20,000**	**1,311,246**
Segment profit/(loss)	**5,691**	**(104)**	**9,991**	**15,578**
Gain on disposal of subsidiaries				**14,753**
Loss on change in fair value of derivative financial liabilities				**(633)**
Unallocated net foreign exchange loss				**(2,144)**
Unallocated operating expenses				**(12,031)**
Share of loss of an associate				**(578)**
Operating profit				**14,945**
Finance costs — net				**(12,672)**
Profit before income tax				**2,273**
Income tax expense				**(1,229)**
Profit for the year				**1,044**

	2023				
	Energy business *HK$'000*	**Drilling services** *HK$'000*	**Operation of digital energy trading parks** *HK$'000*	**Unallocated** *HK$'000*	**Total** *HK$'000*
Depreciation of property, plant and equipment	**80**	**102**	**325**	**–**	**507**
Depreciation of right-of-use assets	**–**	**–**	**1,229**	**982**	**2,211**
Reversal of impairment loss on trade receivables	**(89)**	**–**	**–**	**–**	**(89)**
Loss on disposal of property, plant and equipment	**–**	**–**	**1**	**–**	**1**
Assets					
As at 31 December					
Assets	**274,897**	**707**	**2,536**	**26,594**	**304,734**
Liabilities					
As at 31 December					
Liabilities	**823**	**8**	**20,937**	**197,172**	**218,940**

	2022			
	Energy business *HK$'000*	Drilling services *HK$'000*	Operation of digital energy trading parks *HK$'000*	Total *HK$'000*
Segment revenue				
Reportable segment revenue	117,760	–	33,337	151,097
Elimination of inter-segment revenue	(811)	–	–	(811)
External segment revenue	116,949	–	33,337	150,286
Segment (loss)/profit	(32,611)	(940)	15,977	(17,574)
Gain on change in fair value of derivative financial liabilities				1,169
Unallocated operating income				2,086
Unallocated operating expenses				(14,964)
Share of loss of an associate				(47)
Operating loss				(29,330)
Finance costs — net				(11,917)
Loss before income tax				(41,247)
Income tax credit				462
Loss for the year				(40,785)

	2022				
	Energy business *HK$'000*	Drilling services *HK$'000*	Operation of digital energy trading parks *HK$'000*	Unallocated *HK$'000*	Total *HK$'000*
Depreciation charge of property, plant and equipment	256	108	414	45	823
Depreciation of right-of-use assets	–	–	1,356	258	1,614
Impairment loss on prepayments to suppliers	32,828	–	–	–	32,828
Impairment loss on trade receivables	92	–	–	–	92
Loss on disposal of property, plant and equipment	–	–	17	–	17
Loss on disposal of right-of-use assets	–	–	375	–	375
Assets					
As at 31 December					
Assets	201,152	880	24,294	294,337	520,663
Liabilities					
As at 31 December					
Liabilities	59,879	9	32,980	326,529	419,397

Revenue from external customers by geographical location, based on the destination of the customers is as follows:

	2023 *HK$'000*	2022 *HK$'000*
PRC	**1,311,246**	150,286

Revenue from major customers which individually accounts for 10% or more of the Group's revenue is as follows:

	2023 *HK$'000*	2022 *HK$'000*
Revenue from energy business:		
Revenue from Customer A	**296,790**	82,107
Revenue from Customer B	**N/A#**	34,842
Revenue from Customer C	**463,934**	N/A*
Revenue from Customer D	**242,182**	N/A*
Revenue from Customer E	**288,242**	N/A*

The revenue from Customer B for the year ended 31 December 2023 did not contribute over 10% of the total revenue of the Group for that year.

* Each of the revenue from Customer C, Customer D and Customer E for the year ended 31 December 2022 did not contribute over 10% of the total revenue of the Group for that year.

Non-current assets by geographical location, other than financial instruments, is as follows:

	2023	2022
	HK$'000	*HK$'000*
The PRC	**2,412**	293,929
Hong Kong	**487**	1,504
	2,899	295,433

5. EXPENSES BY NATURE

	2023	2022
	HK$'000	*HK$'000*
Cost of goods sold	**1,283,739**	117,539
Cost of services	**3,140**	4,854
Employee benefit expense (including directors' emoluments)	**17,498**	15,805
Short-term lease expense	**57**	6
Donations	**–**	92
Utilities	**109**	111
Depreciation — property, plant and equipment	**507**	823
Depreciation — right-of-use assets	**2,211**	1,614
Repairs and maintenance expenses	**74**	128
Legal and professional fees	**3,218**	6,088
Auditor's remuneration — audit services	**1,300**	1,300
Auditor's remuneration — non-audit services	**150**	250
Other local taxes paid	**1,696**	174
Other expenses	**7,355**	13,806
Total cost of sales, administrative expenses and distribution expenses	**1,321,054**	162,590
Analysed for reporting purposes:		
Cost of sales	**1,286,879**	122,393
Administrative expenses	**27,912**	31,386
Distribution expenses	**6,263**	8,811
	1,321,054	162,590

6. OTHER (LOSSES)/GAINS — NET

	2023	2022
	HK$'000	*HK$'000*
(Loss)/gain on change in fair value of derivative financial liabilities	**(633)**	1,169
Net foreign exchange (loss)/gain	**(2,144)**	2,264
Gain on deregistration of a subsidiary	**–**	32
Loss on disposal of property, plant and equipment	**(1)**	(17)
Loss on early termination of right-of-use assets	**–**	(375)
Others	**–**	11
	(2,778)	3,084

7. INCOME TAX EXPENSE/(CREDIT)

	2023	2022
	HK$'000	*HK$'000*
Current income tax:		
— PRC Enterprise Income Tax	**1,222**	608
Over-provision in prior years:		
— PRC Enterprise Income Tax	**–**	(1,070)
	1,222	(462)
Deferred tax:		
— PRC Enterprise Income Tax	**7**	–
Income tax expense/(credit)	**1,229**	(462)

No provision for Hong Kong Profits Tax of both of the years presented has been made in the consolidated financial statements as the Group did not have any estimated assessable profits for the year.

PRC Enterprise Income Tax has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the PRC in which the Group operates. The Company's subsidiaries incorporated in the PRC are subject to Enterprise Income Tax at the rate of 25% (2022: 25%).

8. DIVIDENDS

The directors do not recommend the payment of any dividend for the year ended 31 December 2023 (2022: nil).

9. LOSS PER SHARE

The calculation of basic and diluted loss per share attributable to owners of the Company is based on the following data:

	2023	2022
	HK$'000	*HK$'000*
Loss		
Loss for the purpose of basic loss per share and diluted loss per share		
Loss for the year attributable to the owners of the Company	**(24,256)**	(31,913)

	No. of shares	No. of shares
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purpose of basic loss per share	**4,455,021**	4,455,021
Effect of dilutive potential ordinary shares:		
Convertible loan notes *(Note a)*	**–**	–
Share options *(Note b)*	**–**	–
Weighted average number of ordinary shares for the purpose of diluted loss per share	**4,455,021**	4,455,021

	2023	2022
	HK Cents	*HK Cents*
Basic loss per share	**(0.54)**	(0.72)
Diluted loss per share	**NA**	NA

Notes:

(a) The computation of the diluted loss per share for the year ended 31 December 2023 and 2022 does not assume the conversion of the Company's outstanding convertible loan notes since their assumed exercise would result in a decrease in loss per share for the year ended 31 December 2023 and 2022.

(b) The computation of diluted loss per share for the year ended 31 December 2023 and 2022 does not assume the exercise of the Company's options because the exercise price of those options was higher than the average market price for shares for the year ended 31 December 2023 and 2022.

10. INTEREST IN AN ASSOCIATE

	2023	2022
	HK$'000	*HK$'000*
Unlisted investment, at cost	**–**	127,890
Share of post-acquisition losses	**–**	(47)
Currency translation differences	**–**	(977)
	–	126,866

	2023	2022
	HK$'000	*HK$'000*
Movements during the year:		
At the beginning of the year	**126,866**	–
Capital injection to the associate	**–**	127,890
Share of losses recognised for the year	**(578)**	(47)
Currency translation differences	**(5,563)**	(977)
Derecognition upon disposal of subsidiaries	**(120,725)**	–
At the end of the year	**–**	126,866

11. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	2023	2022
	HK$'000	*HK$'000*
Trade receivables from third parties	**144,295**	14,721
Less: allowance for impairment of trade receivables	**–**	(89)
Trade receivables — net of impairment recognised	**144,295**	14,632
Consideration receivable for disposal of subsidiaries	**–**	14,768
Other receivables	**790**	5,612
Value added tax receivables	**51**	1,424
Trade and other receivables	**145,136**	36,436
Prepayments to suppliers	**130,564**	11,803
Deposits paid	**511**	842
Prepaid expenses	**394**	882
	276,605	49,963

Trade receivables

The Group normally allows a credit period of 0–3 days (2022: 0–180 days) from invoice date to its customers and may further extend the credit period to selected customers depending on their trade volume and settlement history. At 31 December 2023 and 2022, the aging analysis of trade receivables based on invoice date was as follows:

	2023	2022
	HK$'000	*HK$'000*
0 to 30 days	**144,295**	–
31 to 120 days	**–**	–
121 to 365 days	**–**	9,288
Over 365 days	**–**	5,344
	144,295	14,632

Movements in provision for impairment of trade receivables are as follows:

	2023	2022
	HK$'000	*HK$'000*
At 1 January	**89**	–
(Reversal of impairment loss)/impairment loss recognised for the year	**(89)**	92
Currency translation difference	**–**	(3)
At 31 December	**–**	89

The Group's prepayments to suppliers are mainly related to the energy business. The Group makes prepayments to suppliers to secure the supply of energy-related products. The prepayments are normally utilised within 30 days after the dates of payment.

Movements in the provision for impairment of prepayments to suppliers are as follows:

	2023	2022
	HK$'000	*HK$'000*
At 1 January	**31,805**	–
Impairment loss recognised for the year	**–**	32,828
Derecognised upon disposal of subsidiaries	**(30,714)**	–
Currency translation differences	**(206)**	(1,023)
At 31 December	**885**	31,805

12. TRADE AND OTHER PAYABLES

	2023	2022
	HK$'000	*HK$'000*
Trade payables	**405**	2,152
Other payables	**3,984**	66,878
Interest payable	**3,299**	3,300
Accrued salaries	**1,629**	1,459
Accrued expenses	**4,836**	6,118
Other tax payables	**617**	–
	14,770	79,907

The suppliers normally allow credit periods arranged from 60 to 365 days to the Group. At 31 December 2023 and 2022, the aging analysis of the trade payables based on invoice date is as follows:

	2023	2022
	HK$'000	*HK$'000*
Within 30 days	**405**	395
31 to 60 days	**–**	789
61 to 90 days	**–**	959
91 to 120 days	**–**	–
Over 120 days	**–**	9
	405	2,152

13. BORROWINGS

	2023	2022
	HK$'000	*HK$'000*
Bank borrowings, unsecured *(note a)*	**13,387**	13,387
Loans from related parties *(note b)*	**–**	17,003
	13,387	30,390

(a) Bank borrowings

As at 31 December 2023, the unsecured bank borrowings with principal and interest payables of HK$13,387,000 (2022: HK$13,387,000) and HK$3,257,000 (2022: HK$3,257,000) respectively have been overdue and has not repaid in accordance with scheduled payment dates. Up to the date of approval of the consolidated financial statements, these bank borrowings with principal and interest payables of HK$13,387,000 (2022: HK$13,387,000) and HK$3,257,000 (2022: HK$3,257,000) are still outstanding.

The outstanding bank borrowings of the Group carry interest at the interest rate at 3.37% (2022: 3.37%) per annum.

(b) Loans from related parties

The amounts due to related parties as at 31 December 2022 were unsecured, interest-free and were repayable within one year, which were derecognized upon disposal of subsidiaries as set out in note 15.

14. CONVERTIBLE LOAN NOTES

	2023	2022
	HK$'000	*HK$'000*
Convertible loan notes:		
— Liability component	**136,221**	–
— Derivative conversion option component	**1,537**	–

The Company issued HK$110,952,907, 10% convertible loan notes ("**Convertible Notes**") at a par value of HK$1,000,000 each on 17 July 2019. Under the terms of the Convertible Notes, (i) the Convertible Notes are denominated in Hong Kong dollars and are secured by shareholders of the Company, who have jointly and severally, unconditionally and irrevocably guaranteed the due and punctual payment of all sums expressed to be payable by the Company; (ii) the Convertible Notes entitle the holders to convert them into ordinary shares of the Company at any time between the date of issue of the Convertible Notes and their settlement date on 17 July 2020 at a conversion price of HK$0.184 per Convertible Notes; (iii) the Company have the options to redeem all or some of the Convertible Notes at par value plus accrued interest at any time between the date of issue of the Convertible Notes and the settlement date; (iv) if the Convertible Notes have not been converted or redeemed, they will be redeemed on 17 July 2020 at par; and (iv) interest of 10% will be paid annually up until the settlement date.

On 4 May 2020, a convertible notes holder signed a deed of assignment to transfer all rights and obligation of the Convertible Notes to another party.

On 16 July 2020, the Company and the new note holder signed a supplementary agreement to revise the terms of Convertible Notes under which the Convertible Notes would be redeemed on 17 July 2021 at a conversion price of HK$0.1340 per Convertible Notes. The fair value of the Convertible Notes at 16 July 2020 was estimated to be HK$110,953,000, which was valued by an independent financial advisor. The fair value of the Convertible Notes comprises the liability component and the equity component amounted to HK$97,767,000 and HK$13,186,000 respectively.

On 4 August 2021, the Company and the note holder signed the second supplementary agreement to revise the terms of the Convertible Notes. Pursuant to this supplementary agreement, the Convertible Notes will be redeemed on 17 July 2022 and the interest on the notes is charged at 10% per annum until the settlement date.

Except for the above mentioned, all other terms of the Convertible Notes remain unchanged.

The Convertible Notes matured on 17 July 2022 and were not repaid by the Company or converted into shares of the Company upon their maturity. The total outstanding balance of the Convertible Notes of HK$126,118,000, comprising the principal amount of the Convertible Notes of HK$110,953,000 and the related interest payable and accrued interests of HK$13,666,000 and HK$1,499,000 was reclassified to amount due to a shareholder upon their maturity.

On 5 May 2023, the Company and the shareholder signed the third supplemental agreement to revise the terms of the Convertible Notes. Pursuant to this supplemental agreement, the Convertible Notes would be redeemed on 17 July 2025 and the interest on the notes was charged at 8% per annum until the settlement date. Except for the above, all other terms of the Convertible Notes remain unchanged.

15. DISPOSAL OF SUBSIDIARIES

(a) On 1 January 2023, the Group entered into a sale and purchase agreement with a third party in relation to the disposal of the entire issued share capital of two subsidiaries, Shandong Run Ze Industrial and Commercial Company Limited, and Dongying An Yu Energy Technology Company Limited together with its subsidiaries.

The disposal was completed on 1 January 2023 and the consideration for the disposal amounted to approximately RMB562,000 (equivalent to HK$606,000), which was settled during the current year.

(b) On 1 April 2023, the Group entered into a sale and purchase agreement with a third party in relation to the disposal of the entire issued share capital of a subsidiary, Blessing Garden Limited together with its subsidiaries.

The disposal was completed on 1 April 2023 and the consideration for the disposal amounted to HK$1,500,000, which was settled during the current year.

(c) On 15 June 2023, the Group entered into a sale and purchase agreement with a third party in relation to the disposal of the entire issued share capital of a subsidiary, Beijing Times Changyun Enterprise Management Company Limited together with its associate.

The disposal was completed on 15 June 2023 and the consideration for disposal amounted to RMB1 (equivalent to HK$1), which was settled during the current year.

(d) On 24 July 2023, the Group entered into a sale and purchase agreement with a third party in relation to the disposal of the entire issued share capital of a subsidiary, Qingdao Oriental Reliance Petrochemical Co., Ltd.

The disposal was completed on 28 July 2023 and the consideration for disposal amounted to RMB1 (equivalent to HK$1), which was settled during the current year.

	2023
	HK$'000
Non-current assets	
Property, plant and equipment	**1,108**
Interest in an associate	**120,725**
Current assets	
Trade and other receivables and prepayments	**19,052**
Cash and cash equivalents	**14,827**
Total assets	**155,712**
Current liabilities	
Trade and other payables	**43,612**
Amount due to an associate	**115,928**
Amounts due to related parties	**6,067**
Borrowings	**19,844**
Current income tax liabilities	**1,412**
Total liabilities	**186,863**
Net liabilities disposed of	**(31,151)**

	2023
	HK$'000
Cash consideration	**2,106**
Net liabilities disposed of	**31,151**
Non-controlling interests	**(18,139)**
Exchange reserve released upon disposal	**(365)**
Gain on disposal	**14,753**

Cash outflow on disposal of subsidiaries

	2023
	HK$'000
Consideration for disposal received	**2,106**
Less: Bank balances and cash disposed of	**(14,827)**
Net cash outflow on disposal	**(12,721)**

16. EVENTS AFTER THE REPORTING PERIOD

There were no other significant events of the Group after 31 December 2023 and up to the date of this announcement.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group was principally engaged in three businesses: (i) energy business which comprised mainly the trading of energy-related products; (ii) operation of digital energy trading parks; and (iii) drilling services during the year ended 31 December 2023 (the "**Reporting Period**").

The Group's revenue for the Reporting Period was approximately HK$1.31 billion, representing a significant increase of approximately 772.50% as compared to approximately HK$0.15 billion for the corresponding period in 2022 (the "**Corresponding Period**"). The gross profit during the Reporting Period was approximately HK$24.37 million (2022: approximately HK$27.89 million), representing a decrease of approximately HK$3.52 million or approximately 12.64% as compared to the Corresponding Period.

Energy business

The Group, having taken into account the best interest of the Company and its shareholders, has temporarily suspended a substantial part of its energy business since October 2021 due to the exposure of energy business to a higher risk resulting from the volatility in crude oil and certain petrochemicals price and the economic uncertainty subsequent to the prolonged COVID-19 pandemic worldwide and the military conflict between Ukraine and Russia.

Since July 2023, the Group has resumed its energy business after considering that the global oil price and certain petrochemicals price becomes relatively stable.

During the Reporting Period, revenue derived from the energy trading business was approximately HK$1.29 billion (2022: approximately HK$0.12 billion).

Operation of digital energy trading parks

The business operation of the digital energy trading parks has been rapidly expanding since its commencement in the second half of 2020. The Group has signed cooperation agreements with various entities in 16 cities and regions of China, and successfully introduced not less than 600 enterprises into the digital energy trading parks as at the date of this announcement. The operation and service business of digital energy trading parks generates stable income to the Group through (1) receiving fixed service fees from enterprises in the trading parks on an annual basis; (2) receiving service fees based on the value-added services provided to the enterprises in the trading parks; (3) applying for tax incentives or financial subsidies from local governments based on the economic benefits of the operation of the trading parks.

During the Reporting Period, the revenue derived from the operation of digital energy trading parks was approximately HK$20.00 million (2022: approximately HK$33.34 million). The Company believes that the digital energy trading parks business will continue to contribute economic benefits and bring new opportunities for the energy business of the Group in the future.

Drilling Services

The Group has completed drilling services of certain oil wells through its wholly-owned subsidiary, Ningxia Deliheng Oil and Gas Technology Service Company Limited* (寧夏德力恒油氣技術服務有限公司) ("**Ningxia Deliheng**") in 2021. Ningxia Deliheng had entered into the SL16-5-4 and SL27 Well Agreement in late 2019 with Beijing Huaye Jinquan Petroleum Energy Technology Development Company Limited, Yanchi Branch* (北京華燁金泉石油能源技術開發有限公司鹽池分公司) ("**Beijing Huaye**"), pursuant to which Ningxia Deliheng provided drilling services of 19 oil wells for Beijing Huaye for the purpose of extraction of oil under the SL16-5-4 and SL27 Well Agreement. The drillings were commenced by 4 June 2021 and has been completed in June 2021.

The Group has further entered into a new drilling service agreement with Beijing Huaye to provide drilling services for 63 oil wells at a contract sum of over RMB748 million in the second half of 2021. As certain conditions precedent have not yet been fulfilled, the new drilling services of the 63 oil wells of the Group has been deferred and has not yet commenced as at the date of this announcement.

During the Reporting Period, the revenue derived from the drilling services business was nil (2022: nil).

PROSPECTS

Looking forward to the year of 2024, the risk of stagflation in the global economy is expected to increase and the overall market conditions remain uncertain. The Group expects to face various challenges such as oil and certain petrochemicals price fluctuation caused by the continuation of the military conflict between Ukraine and Russia and the economic uncertainty subsequent to the prolonged COVID-19 pandemic.

1. Energy Business

The Group will continue to explore the opportunities of development of energy-related products and services in order to strengthen the energy business and to enhance the business competitiveness and profitability. The Group will endeavour to have business cooperation with large state-owned enterprises in order to minimize the risk of energy business. The Group will also closely monitor the global oil price fluctuation.

2. **Operation of Digital Energy Trading Parks**

The Group has been successful in developing the "digital energy trading parks" operation service for the petrochemical energy industry and has signed cooperative contracts with various entities in 16 cities and regions of China to co-build the Jintai Energy Digital Trading Industry Park since its commencement. The Group has introduced not less than 600 enterprises to the digital park. The Group aims to achieve an operation of 30 industry digital parks, introducing more than 2,000 enterprises. The Group will continue to broaden its customer base to the digital trading industry in order to achieve a sustainable growth in the future.

3. **Business Expansion**

The Group will continue to explore new investment and business opportunities in various fields including oil exploration and development.

To cope with the challenging environment, the Group will continue to identify and evaluate various development opportunities to strengthen our competitive advantages through deployment of more resources for capturing the market potentials and broaden its source of revenue so as to create value for shareholders. The Directors are confident to achieve sustainable growth and bring greater returns to our shareholders in the long run.

FINANCIAL REVIEW

Results of Operations

Revenue

During the Reporting Period, the revenue of the Group increased significantly to approximately HK$1.31 billion (2022: approximately HK$0.15 billion), representing a significant increase of approximately 772.50% as compared to the Corresponding Period. The substantial increase in revenue was mainly attributable to the resumption of the energy business since July 2023. During the Corresponding Period, a substantial part of its energy business was temporarily suspended.

Operating Costs

The operating costs were approximately HK$34.18 million during the Reporting Period (2022: approximately HK$40.20 million), representing a decrease of approximately 14.98% as compared to the Corresponding Period. The decrease was in line with the decrease in gross profit for the Reporting Period.

Finance Costs

The finance costs of the Group were approximately HK$14.17 million during the Reporting Period, representing an increase of approximately 6.49% as compared with approximately HK$13.30 million for the Corresponding Period.

Loss per Share

For the Reporting Period, the basic loss per share was approximately 0.54 HK cents (2022: basic loss per share of approximately 0.72 HK cents), representing a decrease of approximately 23.99% as compared with the Corresponding Period.

Liquidity and Financial Resources

As at 31 December 2023, the Group had cash and cash equivalents of approximately HK$25.23 million (31 December 2022: approximately HK$49.24 million), which were mainly denominated in Hong Kong dollars (HK$), US dollars (US$) and Renminbi (RMB).

As at 31 December 2023, the Group's net current assets were approximately HK$220.11 million (2022: net current liabilities of approximately HK$193.64 million). The Group's current ratio as at 31 December 2023, being the ratio of total current assets to total current liabilities, was approximately 3.69 as compared to approximately 0.54 as at 31 December 2022.

The Group had bank and other borrowings of approximately HK$13.39 million (2022: approximately HK$30.39 million) which were denominated in Renminbi and Hong Kong dollars. The aforesaid bank and other borrowings was accounted for the current liabilities of the Group and repayable within one year.

On 20 March 2023, the Company entered into the third supplemental deed for the amendments to the terms and conditions of the convertible notes issued by the Company on 17 July 2019 (the "**Convertible Notes**"), and ordinary resolutions have been passed by the shareholders of the Company on 5 May 2023. Pursuant to the third supplemental deed the convertible loan notes would be redeemed on 17 July 2025 and the interest on the notes was charged at 8% per annum until the settlement date. Except for the above, all other terms of the Convertible Notes remain unchanged. As at 31 December 2023, the carrying amount of the principal and the interest payables of the Convertible Notes issued by the Group was approximately HK$136.22 million. As at 31 December 2022, the Convertible Notes matured and the Company was negotiating with the holder of the Convertible Notes on the appropriate arrangement, and the carrying amount of the principal and the outstanding interest payables of the Convertible Notes was reclassified as amount due to a shareholder of approximately HK$126.12 million.

The Group had issued bonds in the principal amount of approximately RMB23.48 million as consideration for the acquisition of entire interest of Linjin Shuntong in August 2020. As at 31 December 2023, the carrying amount of bonds was approximately HK$29.85 million (2022: HK$29.03 million). The bonds bear interest at 5% per annum, payable on maturity date of 23 October 2023. On 12 October 2023, the Company entered into a supplemental agreement with the bondholder, Mr. Chen Qiusan, to extend the maturity date of the bonds to 23 March 2024 while other terms remain unchanged. All outstanding amount under the bonds was settled on 23 March 2024.

Capital Structure and Gearing Ratio

As at 31 December 2023, the total issued shares of the Company was 4,455,020,888 shares (2022: 4,455,020,888).

As at 31 December 2023, the share capital and equity attributable to owners of the Company amounted to approximately HK$5.57 million and approximately HK$84.76 million respectively (2022: approximately HK$5.57 million and approximately HK$114.03 million respectively).

As at 31 December 2023, the Group repaid its debts mainly through recurring cash flows generated from its operations and other means of financing. The gearing ratio of the Group was approximately 212% (2022: approximately 163%), which was computed by dividing the total borrowings of approximately HK$179.45 million (2022: approximately HK$185.54 million) by equity attributable to the owner of the Company of approximately HK$84.76 million (2022: approximately HK$114.03 million).

Treasury Policies

The Group does not engage in any leveraged or derivative arrangements. Since most of the Group's assets and liabilities are denominated in Hong Kong dollars, Renminbi or US dollars and the exchange rates of such currencies were relatively stable over the Reporting Period, the Directors believe that the Group's exposure to fluctuation in those currencies does not have any significant adverse effect to the Group. Nonetheless, the Group will closely monitor its foreign currency exposure and arrange for hedging facilities when necessary.

Human Resources and Remuneration

The Group has employed a total of approximately 115 employees as at 31 December 2023 (2022: approximately 159 employees) in Hong Kong and the PRC. Staff costs (including directors' emoluments) during the Reporting Period amounted to approximately HK$17.50 million (2022: approximately HK$15.81 million). The Group recruits and selects candidates based on their qualifications and suitability for the position. It is the policy of the Group to recruit the most capable person available for each position.

The remuneration package of the Group's employees includes salary and bonus, which are generally determined by their qualifications, industry experiences, positions and experience. The Group makes contributions to social insurances and housing provident funds as required by the PRC laws and regulations.

SHARE OPTION SCHEME

The former share option scheme of the Company expired on 25 June 2015. Pursuant to an ordinary resolution passed at the extraordinary general meeting of the Company on 16 September 2019, a new share option scheme of the Company (the "**New Scheme**") was adopted by the Company accordingly and will expire on 15 September 2029. The Company operates the New Scheme for the purpose of providing incentives or rewards to selected eligible participants who contribute to the success of the Group's operations. Subject to the restrictions under the Listing Rules, selected eligible participants of the New Scheme include directors, employees of the Company or any of its subsidiaries and any officers or consultants who will provide or have provided services to the Group.

The total number of securities available for issue under the New Scheme as at the date of this announcement was 806,700,000 shares, representing approximately 18.11% of issued share capital of the Company as at the date of this announcement. For details, please refer to the circular of the Company dated 28 August 2019 and 27 April 2020 and the announcement of the Company dated 25 September 2019, 29 May 2020, 19 June 2020 and 20 May 2021 respectively.

On 20 May 2021, the Company granted a total of 125,000,000 share options (the "**Share Options**") to 5 grantees (comprising 5 employees who are not a director, chief executive nor substantial shareholder of the Company nor an associate (as defined under the Listing Rules) of any of them) at the exercise price of HK$0.15 per share under the New Scheme adopted by the Company on 16 September 2019 and refreshed on 29 May 2020. Further details are set out in the announcement of the Company dated 20 May 2021.

As at 1 January 2023 and 31 December 2023, the number of options available for grant under the New Scheme was 50,251,740.

Save for the New Scheme, the Company does not have any other share scheme.

Details of the Share Options granted, exercised, forfeited, lapsed and outstanding under the New Scheme during the Current Period are as follows:

Name or category of participants	Date of grant (dd/mm/yyyy)	Exercise price after (before) share subdivision in 2018 *HK$*	Vesting date (dd/mm/yyyy)	Exercise period (dd/mm/yyyy)	Number of share options					
					As at 01/01/2023	Granted during the period	Exercised during the period	Forfeited during the period	Lapsed during the period	As at 31/12/2023[2]
DIRECTOR										
Mr. Yuan Hongbing	19/6/2020	0.145	19/6/2020	19/6/2020–18/6/2026	37,000,000	–	–	–	–	37,000,000
					37,000,000	–	–	–	–	37,000,000
OTHER PARTICIPANTS										
Eligible employees[1]	19/6/2015	0.64125 (1.2825)	19/6/2015	19/6/2015–18/6/2025	123,200,000	–	–	–	–	123,200,000
Eligible employees[1]	24/9/2019	0.15	24/9/2019	24/9/2019–23/9/2029	362,500,000	–	–	–	–	362,500,000
Eligible employees[1]	19/6/2020	0.145	19/6/2020	19/6/2020–18/6/2026	159,000,000	–	–	–	–	159,000,000
Eligible employees[1]	20/5/2021	0.15	20/5/2021	20/5/2021–19/5/2027	125,000,000	–	–	–	–	125,000,000
					769,700,000	–	–	–	–	769,700,000[3]
				Total	806,700,000	–	–	–	–	806,700,000

Note:

1. Eligible employees are working under employment contracts that are regarded as "continuous contracts" for the purposes of the Employment Ordinance (Chapter 57 of the Laws of Hong Kong).

2. The share options are not subject to any performance target.

3. The number of Shares that may be issued in respect of the Share Options granted represents approximately 18.11% of the weighted average number of shares in issue for the year ended 31 December 2023 (i.e. 4,455,020,888 shares).

CONNECTED TRANSACTIONS

Drilling services

On 10 August 2021, Ningxia Deliheng, an indirect wholly-owned subsidiary of the Company, and Beijing Huaye entered into an agreement regarding oil well drilling in Huian Oil Field (惠安油田), the PRC (the "**Huian Well Agreement**"). Pursuant to the Huian Well Agreement, Ningxia Deliheng agreed to provide drilling services of an aggregate of 63 oil wells for Beijing Huaye for the purpose of extraction of oil at an aggregate consideration of approximately RMB748 million.

Mr. Han Jinfeng, an executive director and the chairman of the Company, is a majority ultimate beneficial shareholder of Beijing Huaye (holding 64% effective interest thereof). Therefore, the Huian Well Agreement constituted a connected transaction of the Company. Mr. Han Jinfeng is a cousin of Mr. Chen Jinle, the Chairman, an executive director and substantial shareholder of the Company at the material time when the Huian Well Agreement was entered into, the Huian Well Agreement constituted a connected transaction of the Company. As at the date of this announcement, Mr. Han Jinfeng is an executive director and the chairman of the Company.

As at the date of this announcement, as certain conditions precedent have not yet been fulfilled, the Huian Well Agreement has not been performed yet.

For further details regarding the Huian Well Agreement, please refer to the announcements of the Company dated 10 August 2021 and 19 August 2021.

CAPITAL COMMITMENT

Contingent Liabilities

Save for those disclosed in this announcement, as at 31 December 2023, the Group did not have any material contingent liabilities.

Pledge of assets

As at 31 December 2023, no assets of the Group have been pledged as security for the borrowings of the Group (as at 31 December 2022: nil).

Significant Investments and Material Acquisitions or Disposals

Save for those acquisitions and disposals disclosed in this announcement, there were no significant investment or any material acquisition or disposal of subsidiaries during the year ended 31 December 2023.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in this announcement, there was no significant event occurred subsequent to the end of the Reporting Period and up to the date of this announcement.

DIVIDENDS

The Board does not recommend the payment of a final dividend for the year ended 31 December 2023 (2022: nil).

CORPORATE GOVERNANCE AND OTHER INFORMATION

The Company is committed to maintaining a high standard of corporate governance and has put in place self regulatory corporate practices to protect the interests of the shareholders of the Company (the "**Shareholder(s)**") and the enhancement of Shareholders' value. Our mission in terms of corporate governance is to provide high-quality products and services to the satisfaction of our customers and maintain high standards of business ethics and achieve these goals while, at the same time, providing satisfactory and sustainable returns to the Shareholders.

In addition, the Group acts in a socially responsible manner through a variety of initiatives and considers this as a part of its overall commitment to good corporate governance.

The Company has a code of business conduct that sets out the principles, values and standards of conduct expected of the management and staff of the Group, and stipulates our operating procedures and policies.

The Company has, throughout the Reporting Period, applied and complied with the code provisions of the Corporate Governance Code (the "**CG Code**") set out in Appendix C1 of the Listing Rules which was effective on or before 31 December 2023 except for the following deviation.

Pursuant to code provision C.1.6 of the Code, independent non-executive directors and other non-executive directors should attend general meetings and develop a balanced understanding of the views of shareholders. Our non-executive director, Mr. Chen Yunwei was unable to attend the annual general meeting of the Company held on 5 May 2023 due to other working commitments.

MODEL CODE FOR 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 C3 to the Listing Rules as its code of conduct regarding the Company's directors' securities transactions. Having made specific enquiries by the Company, all directors of the Company have confirmed that they had complied with the required standards set out in the Model Code during the Reporting Period.

The Company has established written guidelines on no less exacting terms than the Model Code for dealings in the Company's securities by relevant employees who are likely to be in possession of unpublished inside information in relation to the Company or its securities. The Company has received written annual compliance declaration from employees to confirm their compliance.

PURCHASE, SALE OR REDEMPTION OF LISTED SHARES OF THE COMPANY

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

UPDATE ON THE DIRECTOR INFORMATION UNDER RULE 13.51B(1) OF THE LISTING RULES

Pursuant to Rule 13.51B of the Listing Rules, the changes of information of the Directors during the Reporting Period are set out below:

On 16 June 2023, the proposed ordinary resolution for the re-election of Mr. Lin Caihuo ("**Mr. Lin**") was not passed at the annual general meeting. Accordingly, Mr. Lin has retired as an executive director by rotation with effect from 16 June 2023. Mr. Lin has also ceased to be a member of the nomination committee and the remuneration committee of the Company. Further details were disclosed in the Company's announcement dated 16 June 2023.

Save as disclosed above, the Company is not aware of any other information which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

SUFFICIENCY OF THE PUBLIC FLOAT

Based on the information publicly available to the Company, during the Reporting Period and up to the date of this announcement, and to the best knowledge, information and belief of the Directors, the Directors confirm that the Company has maintained a sufficient public float as required under the Listing Rules during the Reporting Period.

CHANGE OF AUDITORS

During the Reporting Period, CCTH CPA Limited ("**CCTH**") has resigned as auditor of the Company on 23 November 2023 and AOGB CPA Limited ("**AOGB**") has been appointed as auditor of the Company with effect from 28 November 2023 to fill the casual vacancy arising from the resignation of CCTH.

CCTH has been the auditor of the Company since 29 December 2021 and the consolidated financial statements for the year ended 31 December 2021 and 2022 have been audited by CCTH.

The consolidated financial statements of the Company for the year ended 31 December 2023 have been audited by AOGB. AOGB will retire, and being eligible, offer themselves for reappointment at the forthcoming annual general meeting. A resolution for its reappointment as auditor of the Company will be proposed at the annual general meeting.

SCOPE OF WORK OF AOGB CPA LIMITED

The figures in respect of the Group's consolidated statement of financial position as at 31 December 2023, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2023 as set out in this announcement have been agreed by the Group's auditor, AOGB CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by AOGB CPA Limited in this respect did not constitute an 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 AOGB CPA Limited on this announcement.

AUDIT COMMITTEE AND REVIEW OF ANNUAL RESULTS

The Audit Committee of the Company (the "**Audit Committee**") comprises of three independent non-executive directors, namely Mr. Tche Heng Hou Kevin, Mr. Mak Tin Sang and Mr. Jiang Hao. The chairman of the Audit Committee is Mr. Tche Heng Hou Kevin, who holds the appropriate professional accounting qualification and financial management expertise as required under the Listing Rules.

The primary duties of the Audit Committee are mainly to communicate with external auditor; to review the remuneration, terms of engagement, independence and objectivity of the external auditor; to review the accounting policy, financial position and financial reporting procedures of the Company; and to assess the financial reporting system, internal control procedures and risk management function of the Company and making recommendations thereof.

The Audit Committee has reviewed the accounting principles and practices adopted by the Group and the annual results for the year ended 31 December 2023.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Thursday, 6 June 2024 to Wednesday, 12 June 2024 (both days inclusive), during which no transfer of shares of the Company will be registered. In order to determine the identity of members who are entitled to attend and vote at the forthcoming annual general meeting of the Company scheduled to be held on Wednesday, 12 June 2024, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 5 June 2024.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT 2023

This annual results announcement is published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.jintaienergy.com), and the annual report of the Company for the year ended 31 December 2023 containing all the information required by the Listing Rules will be dispatched to the Shareholders and published on the websites of the Stock Exchange and the Company in due course.

ACKNOWLEDGEMENT

The Group would like to extend its sincere gratitude to its business partners and shareholders for their continued support. The management team and all staff members shall also be lauded for their unwavering efforts and dedication to the Group.

By Order of the Board
Jintai Energy Holdings Limited
Yuan Hongbing
Chief Executive Officer and Executive Director

Hong Kong, 28 March 2024

* *The English translation of Chinese names or words in this announcement, where indicated, is included for information purpose only, and should not be regarded as the official English translation of such Chinese names or words.*

As at the date of this announcement, the Company has two executive directors, namely Mr. Han Jinfeng (Chairman) and Mr. Yuan Hongbing (Chief Executive Officer), one non-executive director, namely Mr. Chen Yunwei, and three independent non-executive directors, namely Mr. Tche Heng Hou Kevin, Mr. Mak Tin Sang and Mr. Jiang Hao.