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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)**

## ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31 MARCH 2024

The board (the "**Board**") of directors (the "**Directors**") of Energy International Investments Holdings Limited (the "**Company**") set forth below the consolidated annual results (the "**Annual Results**") of the Company and its subsidiaries (together referred to as the "**Group**") for the year ended 31 March 2024 together with comparative figures for the year ended 31 March 2023.

### CONSOLIDATED INCOME STATEMENT

*For the year ended 31 March 2024*

| | *Notes* | **2024** *HK$'000* | 2023 *HK$'000* (Restated) |
|---|---|---|---|
| ***Continuing operations*** | | | |
| **Revenue** | 4 | **242,234** | 366,757 |
| Cost of sales and services rendered | | **(83,823)** | (204,489) |
| **Gross profit** | | **158,411** | 162,268 |
| Interest revenue | 5(a) | **3,495** | 3,983 |
| Other income and other gains/(losses), net | 5(b) | **(10,830)** | (31,503) |
| Selling and distribution expenses | | **(2,485)** | (9,403) |
| Administrative expenses | | **(34,248)** | (33,147) |
| Fair value gain on investment properties | 13 | **17,038** | 12,964 |
| Net gain on derecognition of financial assets and liabilities | | **–** | 63,010 |
| Gain on disposal of subsidiaries | | **–** | 1,955 |
| Finance costs | 7 | **(8,921)** | (16,455) |

* *For identification purpose only*

| | Notes | **2024** | 2023 |
|---|---|---|---|
| | | ***HK$'000*** | *HK$'000* |
| | | | (Restated) |
| **Profit before income tax** | | **122,460** | 153,672 |
| Income tax expenses | 8 | **(27,393)** | (26,889) |
| **Profit for the year from continuing operations** | 9 | **95,067** | 126,783 |
| ***Discontinued operation*** | | | |
| Profit/(loss) for the year from discontinued operation | 10 | **170** | (520) |
| **Profit for the year** | | **95,237** | 126,263 |
| **Profit/(loss) attributable to owners of the Company:** | | | |
| – Continuing operations | | **51,820** | 89,828 |
| – Discontinued operation | | **170** | (520) |
| | | **51,990** | 89,308 |
| **Profit attributable to non-controlling interests:** | | | |
| – Continuing operations | | **43,247** | 36,955 |
| – Discontinued operation | | **–** | – |
| | | **43,247** | 36,955 |
| | | **95,237** | 126,263 |
| | | ***HK cent*** | *HK cent* |
| **Earning/(loss) per share** | 12 | | |
| Basic and diluted: | | | |
| – Continuing operations | | **5.56** | 12.46 |
| – Discontinued operation | | **0.02** | (0.07) |
| | | **5.58** | 12.39 |

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

*For the year ended 31 March 2024*

| | 2024 | 2023 |
|---|---|---|
| | *HK$'000* | *HK$'000* |
| | | (Restated) |
| **Profit for the year** | **95,237** | 126,263 |
| **Other comprehensive expenses, net of tax** | | |
| *Items that may be reclassified subsequently to profit or loss:* | | |
| Exchange differences on translation of financial statements of foreign operations | **(61,115)** | (86,357) |
| Reclassification of cumulative exchange reserve upon disposal of subsidiaries | **–** | (685) |
| *Item that will not be reclassified to profit or loss:* | | |
| Fair value changes of equity instruments at fair value through other comprehensive income | **–** | (6,104) |
| **Other comprehensive expenses for the year, net of tax** | **(61,115)** | (93,146) |
| **Total comprehensive income for the year** | **34,122** | 33,117 |
| **Total comprehensive income/(expense) attributable to owners of the Company:** | | |
| – Continuing operations | **1,265** | 13,026 |
| – Discontinued operation | **170** | (520) |
| | **1,435** | 12,506 |
| **Total comprehensive income attributable to non-controlling interests:** | | |
| – Continuing operations | **32,687** | 20,611 |
| – Discontinued operation | **–** | – |
| | **32,687** | 20,611 |
| | **34,122** | 33,117 |

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

*As at 31 March 2024*

| | *Notes* | **2024** **HK$'000** | 2023 *HK$'000* |
|---|---|---|---|
| **Non-current assets** | | | |
| Property, plant and equipment | | **5,623** | 5,652 |
| Right-of-use assets | | **3,703** | 1,033 |
| Investment properties | 13 | **1,507,397** | 1,565,499 |
| Goodwill | | **–** | – |
| | | **1,516,723** | 1,572,184 |
| **Current assets** | | | |
| Trade and lease receivables | 14 | **39,887** | 190,338 |
| Prepayments, deposits and other receivables | | **6,706** | 140,250 |
| Financial assets at fair value through profit or loss | | **10,630** | 12,937 |
| Cash and cash equivalents | | **590,722** | 83,092 |
| | | **647,945** | 426,617 |
| **Current liabilities** | | | |
| Other payables | | **39,668** | 54,764 |
| Bank borrowings | | **160,269** | 154,265 |
| Lease liabilities | | **2,727** | 1,160 |
| Promissory notes | | **–** | 5,138 |
| Tax payables | | **3,656** | 3,858 |
| | | **206,320** | 219,185 |
| **Net current assets** | | **441,625** | 207,432 |
| **Total assets less current liabilities** | | **1,958,348** | 1,779,616 |

| | Notes | 2024 HK$'000 | 2023 HK$'000 |
|---|---|---|---|
| **Non-current liabilities** | | | |
| Other payable | | **10,396** | – |
| Bank borrowings | | **–** | 20,569 |
| Other borrowings | | **–** | 10,652 |
| Preferred shares | | **379,015** | 378,234 |
| Lease liabilities | | **3,060** | 2,133 |
| Deferred tax liabilities | | **211,814** | 194,889 |
| | | **604,285** | 606,477 |
| **Net assets** | | **1,354,063** | 1,173,139 |
| **Capital and reserves** | | | |
| Share capital | | **10,806** | 7,206 |
| Reserves | | **1,006,545** | 861,908 |
| **Equity attributable to owners of the Company** | | **1,017,351** | 869,114 |
| **Non-controlling interests** | | **336,712** | 304,025 |
| **Total equity** | | **1,354,063** | 1,173,139 |

## NOTES TO THE FINANCIAL STATEMENTS

*For the year ended 31 March 2024*

### 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**").

At 31 March 2024, the Directors consider the immediate parent and ultimate controlling party of the Company to be Cosmic Shine International Limited, which is incorporated in the British Virgin Islands. This entity does not produce financial statements available for public use.

During the year, the principal activities of the Group are as follows:

**Continuing operations**

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

**Discontinued operation**

– Insurance brokerage service (the "**Insurance Brokerage Service**") representing the business of providing insurance brokerage service (see note 10).

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

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

### 2. APPLICATION OF NEW AND AMENDMENTS TO HKFRSs

The Group has applied the following new and amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the current accounting period for the preparation of the consolidated financial statements:

| | |
|---|---|
| HKFRS 17 and related amendments | Insurance Contracts |
| Amendments to HKAS 1 and HKFRS Practice Statement 2 | Disclosure of Accounting Policies |
| 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 |

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

## 3. BASIS OF PREPARATION

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

The consolidated financial statements have been prepared under historical cost convention, except for investment properties, financial assets at fair value through profit or loss (the "**FVTPL**") and preferred shares, which are measured at fair value.

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

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

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

***Transfer of exploration licence without the Company's acknowledgment, 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 the PRC Court's final decision*

After obtaining of the PRC Court's final decision, the Group instructed its PRC lawyers to seek the enforcement of 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

| | **2024** | 2023 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| | | (Restated) |
| *Continuing operations* | | |
| **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 trading of oil and liquefied chemical products | **–** | 8,062 |
| – Sale of oil and liquefied chemical products | **78,091** | 201,223 |
| | **78,091** | 209,285 |
| **Revenue from other sources:** | | |
| Rental income from oil and liquefied chemical terminal | **164,143** | 157,472 |
| Total revenue from continuing operations | **242,234** | 366,757 |
| *Discontinued operation* | | |
| **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 *(note 10)* | **11** | 13 |
| | **242,245** | 366,770 |
| **Geographical markets:** | | |
| – the PRC | **242,234** | 366,757 |
| – Hong Kong | **11** | 13 |
| | **242,245** | 366,770 |

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

### (a) Interest revenue

| | **2024** | 2023 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| ***Continuing operations*** | | |
| Bank interest income | **2,717** | 82 |
| Loan interest income | **–** | 52 |
| Other interest income | **778** | 3,849 |
| | **3,495** | 3,983 |

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

| | **2024** | 2023 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| | | (Restated) |
| ***Continuing operations*** | | |
| Exchange loss, net | **(1,379)** | (2,218) |
| Fair value loss on financial assets at FVTPL | **(2,307)** | (7,753) |
| Fair value loss on preferred shares | **(20,780)** | (19,453) |
| Reversal of impairment loss/(impairment loss) under expected credit loss model on trade and lease receivables, net | **9,361** | (3,911) |
| Reversal of impairment loss under expected credit loss model on deposit and other receivables, net | **3,925** | 1,789 |
| Fair value loss on promissory notes | **–** | (524) |
| Rental income from sub-letting of leased assets | **48** | 52 |
| Government grants* | **–** | 192 |
| Sundry income | **302** | 234 |
| Gain on lease modification | **–** | 89 |
| | **(10,830)** | (31,503) |
| ***Discontinued operation*** | | |
| Government grants* *(note 10)* | **–** | 24 |
| | **(10,830)** | (31,479) |

* Government grants mainly represent subsidies received in connection with the support from the Anti-epidemic Fund of the Government of Hong Kong Special Administrative 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. At 31 March 2023, there was no unfulfilled condition or contingencies relating to the government grant.

## 6. SEGMENT INFORMATION

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

**Continuing operations**

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

**Discontinued operation**

– the Insurance Brokerage Service segment represents the business of providing insurance brokerage service in Hong Kong. This segment was discontinued during the year ended 31 March 2024. Details are explained in note 10.

Customers from the Oil and Liquefied Chemical Terminal segment are located in the PRC (place of domicile) whereas customers from the 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:

| | **Continuing operations Oil and Liquefied Chemical Terminal** *HK$'000* | **Discontinued operation Insurance Brokerage Service** *HK$'000* | **Total** *HK$'000* |
|---|---|---|---|
| **For year ended 31 March 2024** | | | |
| Revenue from external customers | **242,234** | **11** | **242,245** |
| Reportable segment profit/(loss) | **142,090** | **(252)** | **141,838** |
| Interest revenue | **2,716** | **–** | **2,716** |
| Depreciation of property, plant and equipment | **(1,581)** | **–** | **(1,581)** |
| Fair value gain of investment properties | **17,038** | **–** | **17,038** |
| Fair value loss on preferred shares | **(20,780)** | **–** | **(20,780)** |
| Interest expense on: | | | |
| – bank and other borrowings | **(8,192)** | **–** | **(8,192)** |
| – lease liabilities | **(20)** | **–** | **(20)** |
| | **(8,212)** | **–** | **(8,212)** |
| Reversal of impairment loss under expected credit loss model on trade and lease receivables, net | **9,361** | **–** | **9,361** |
| Reversal of impairment loss under expected credit loss model on deposit and other receivables, net | **335** | **–** | **335** |
| Income tax expenses | **(27,393)** | **–** | **(27,393)** |
| **As at 31 March 2024** | | | |
| Segment assets | **2,118,778** | **–** | **2,118,778** |
| Additions to segment non-current assets during the year | **14,176** | **–** | **14,176** |
| Segment liabilities | **(793,288)** | **–** | **(793,288)** |

| | Continuing operations Oil and Liquefied Chemical Terminal *HK$'000* | Discontinued operation Insurance Brokerage Service *HK$'000* | Total *HK$'000* |
|---|---|---|---|
| **For year ended 31 March 2023** | | | |
| Revenue from external customers | 366,757 | 13 | 366,770 |
| Reportable segment profit/(loss) | 125,268 | (520) | 124,748 |
| Interest revenue | 78 | – | 78 |
| Depreciation of property, plant and equipment | (481) | – | (481) |
| Fair value gain of investment properties | 12,964 | – | 12,964 |
| Fair value loss on preferred shares | (19,453) | – | (19,453) |
| Interest expense on: | | | |
| – bank and other borrowings | (13,554) | – | (13,554) |
| – lease liabilities | (16) | – | (16) |
| | (13,570) | – | (13,570) |
| Impairment loss under expected credit loss model on trade and lease receivables, net | (3,911) | – | (3,911) |
| Impairment loss under expected credit loss model on deposit and other receivables, net | (334) | – | (334) |
| Income tax expenses | (26,889) | – | (26,889) |
| **As at 31 March 2023** | | | |
| Segment assets | 1,923,232 | 56 | 1,923,288 |
| Additions to segment non-current assets during the year | 15,159 | – | 15,159 |
| Segment liabilities | (785,001) | (2) | (785,003) |

**Reconciliations of reportable segment revenue**

There was no inter-segment sale and transfer during the years ended 31 March 2024 and 2023.

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

Revenue from major customers:

Derived from Oil and Liquefied Chemical Terminal segment:

| | 2024 | 2023 |
|---|---|---|
| | *HK$'000* | *HK$'000* |
| – Customer A | **127,230** | 157,472 |
| – Customer B | **31,308** | – |
| – Customer C | **78,091** | 135,077 |
| – Customer D | **–** | 66,146 |
| | **236,629** | 358,695 |

## 7. FINANCE COSTS

| | 2024 | 2023 |
|---|---|---|
| | *HK$'000* | *HK$'000* |
| ***Continuing operations*** | | |
| Interest on bank and other borrowings | **8,658** | 14,270 |
| Interest on promissory notes | **84** | 1,877 |
| Interest on lease liabilities | **179** | 308 |
| Interest expense on financial liabilities not at FVTPL | **8,921** | 16,455 |

## 8. INCOME TAX EXPENSES

| | 2024 | 2023 |
|---|---|---|
| | *HK$'000* | *HK$'000* |
| Current tax | | |
| – PRC Enterprise Income Tax ("**EIT**") | **–** | – |
| Deferred tax – PRC | | |
| – Current year | **27,393** | 26,889 |
| Income tax expenses | **27,393** | 26,889 |
| Income tax expenses attributable to: | | |
| – Continuing operations | **27,393** | 26,889 |

No provision for Hong Kong Profits Tax is required since the Group has no assessable profit for the years ended 31 March 2024 and 2023.

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

Under the EIT Law of the PRC (the "**EIT Law**") and Regulation Implementation of the EIT Law, the tax rate of the PRC subsidiaries of the Group is 25% for the years ended 31 March 2024 and 2023.

Pursuant to the EIT Law and other related regulations, non-PRC resident enterprises are levied withholding tax at 10%, 6% and various tax rate (unless reduced by tax treaties/arrangements) respectively on interest receivable from PRC enterprises for income earned since 1 January 2008. The Group has adopted withholding tax rate of 10%, 6% and various tax rate on corporate income tax, value-added tax and other taxes for PRC withholding tax purpose during the years ended 31 March 2024 and 2023.

## 9. PROFIT FOR THE YEAR

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

| | | **2024** | |
|---|---|---|---|
| | **Continuing operations** | **Discontinued operation** | **Total** |
| | *HK$'000* | *HK$'000* | *HK$'000* |
| Auditor's remuneration | **1,000** | **–** | **1,000** |
| Carrying amount of inventories sold | **77,463** | **–** | **77,463** |
| Depreciation of property, plant and equipment | **1,631** | **–** | **1,631** |
| Depreciation of right-of-use assets | **2,558** | **–** | **2,558** |
| Gross rental income from investment properties | **(164,143)** | **–** | **(164,143)** |
| Direct operating expenses arising from investment properties that generated rental income | **5,735** | **–** | **5,735** |
| Loss on disposal of property, plant and equipment | **7** | **–** | **7** |
| Staff costs (including Directors' remuneration) | | | |
| – Salaries, bonuses and allowances | **14,507** | **240** | **14,747** |
| – Retirement benefit scheme contributions | **548** | **9** | **557** |
| | **15,055** | **249** | **15,304** |

| | 2023 | | |
|---|---|---|---|
| | Continuing operations | Discontinued operation | Total |
| | *HK$'000* | *HK$'000* | *HK$'000* |
| Auditor's remuneration | 1,000 | – | 1,000 |
| Carrying amount of inventories sold | 200,779 | – | 200,779 |
| Depreciation of property, plant and equipment | 498 | – | 498 |
| Depreciation of right-of-use assets | 3,485 | – | 3,485 |
| Gross rental income from investment properties | (157,472) | – | (157,472) |
| Direct operating expenses arising from investment properties that generated rental income | 2,137 | – | 2,137 |
| Loss on disposal of property, plant and equipment | 11 | – | 11 |
| Staff costs (including Directors' remuneration) | | | |
| – Salaries, bonuses and allowances | 12,052 | 511 | 12,563 |
| – Retirement benefit scheme contributions | 486 | 18 | 504 |
| | 12,538 | 529 | 13,067 |

## 10. DISCONTINUED OPERATION

On 9 October 2023, the Group entered into the sale and purchase agreement with the independent third party (the "**Purchaser**"), pursuant to which the Purchaser has conditionally agreed to acquire and the Group has conditionally agreed to sell the entire issued shares of iECO Financial Consulting Limited ("**iECO Financial**") at a total consideration of HK$1,162,000 (the "**Disposal**"). iECO Financial is principally engaged in the provision of Insurance Brokerage Service in Hong Kong.

The Disposal was completed on 12 October 2023 (the "**Disposal Date**"). The Disposal constitutes a discontinued operation under HKFRS 5, *Non-current Assets Held for Sale and Discontinued Operations,* as the provision of Insurance Brokerage Service represented one of the reportable segments of the Group.

Financial information relating to the discontinued operation for the period from 1 April 2023 to 12 October 2023 and the year ended 31 March 2023 is set out below.

### (i) Financial performance of discontinued operation

| | **For the period from 1 April 2023 to 12 October 2023** | For the year ended 31 March 2023 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| Revenue | **11** | 13 |
| Other income and other gains/(losses) | **–** | 24 |
| Administrative expenses | **(263)** | (557) |
| Loss before income tax | **(252)** | (520) |
| Income tax expenses | **–** | – |
| Loss for the period/year | **(252)** | (520) |
| Gain on disposal of a subsidiary *(note 10(ii))* | **422** | – |
| Profit/(loss) from discontinued operation | **170** | (520) |

**(ii) Disposal of a subsidiary**

| | At the Disposal Date *HK$'000* |
|---|---|
| Net assets disposed of | |
| Prepayment, deposits and other receivables | **8** |
| Bank balances | **392** |
| | **400** |
| Direct expenses incurred | **340** |
| Gain on disposal of a subsidiary | **422** |
| Total consideration | **1,162** |

An analysis of the net cash flow arising on disposal of a subsidiary was as follows:

| | *HK$'000* |
|---|---|
| Cash consideration | **1,162** |
| Direct expenses incurred | **(340)** |
| Bank balances disposed of | **(392)** |
| Net cash inflow arising from disposal of a subsidiary | **430** |

No tax charge or credit arose on gain on disposal of the discontinued operation.

**(iii) Cash flow information of discontinued operation**

| | For the period from 1 April 2023 to 12 October 2023 *HK$'000* | For the year ended 31 March 2023 *HK$'000* |
|---|---|---|
| Net cash outflow from operating activities | **(252)** | (515) |
| Net cash inflow from investing activities | **–** | – |
| Net cash inflow from financing activities | **597** | 127 |
| Net increase/(decrease) in cash and cash equivalents of iECO Financial | **345** | (388) |

## 11. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company during the year ended 31 March 2024, nor has any dividend been proposed since the end of the reporting period (2023: Nil).

## 12. EARNINGS/(LOSS) PER SHARE

### (a) Basic earnings/(loss) per share

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

| **Earnings/(loss)** | **2024**<br>***HK$'000*** | 2023<br>*HK$'000*<br>(Restated) |
|---|---|---|
| Profit/(loss) for the year attributable to owners of the Company from: | | |
| – Continuing operations | **51,820** | 89,828 |
| – Discontinued operation | **170** | (520) |
| | **51,990** | 89,308 |
| **Number of shares** | ***'000*** | *'000* |
| Weighted average number of ordinary shares for the purpose of basic earnings/(loss) per share | **932,038** | 720,563 |

### (b) Diluted earnings/(loss) per share

Diluted earnings/(loss) per share for the years ended 31 March 2024 and 2023 are the same as the basic earnings/(loss) per share, as the Company has no potential dilutive ordinary shares.

## 13. INVESTMENT PROPERTIES

| | **2024**<br>***HK$'000*** | 2023<br>*HK$'000* |
|---|---|---|
| **Fair value** | | |
| At beginning of year | **1,565,499** | 1,666,170 |
| Additions | **7,023** | 9,922 |
| Fair value adjustment | **17,038** | 12,964 |
| Exchange adjustment | **(82,163)** | (123,557) |
| At end of year | **1,507,397** | 1,565,499 |

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

## 14. TRADE AND LEASE RECEIVABLES

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

| | **2024** | 2023 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| 0–90 days | **31,187** | 164,538 |
| 91–180 days | **8,551** | 25,605 |
| 181–365 days | **–** | 195 |
| Over 365 days | **149** | – |
| | **39,887** | 190,338 |

At 31 March 2024 and 2023, the Group did not hold any collateral over these balances.

## 15. EVENT AFTER REPORTING DATE

On 17 June 2024, the Company, Mr. Gu Siyu (the "**Vendor**") and Prosperous Splendor Global Limited (the "**Target Company**") entered into an acquisition agreement (the "**Acquisition Agreement**"), pursuant to which the Company agreed to purchase, and the Vendor agreed to sell, 40% of the issued share capital (and shareholder's loan, if any) of the Target Company (collectively the "**Acquired Interest**") for a consideration of RMB200,000,000, which shall be satisfied as to RMB120,000,000 in cash and RMB80,000,000 by the issue of three tranches of promissory notes which shall vest upon the satisfaction of the profit guarantees during three profit measurement periods.

Pursuant to the Acquisition Agreement, the Vendor granted to the Company a put option (the "**Put Option**") such that if the actual profit of the Target Company and its subsidiaries for the year ending 31 March 2027 is less than 70% of the third guaranteed profit, the Company may exercise the Put Option at its discretion during the put option period to require the Vendor to purchase from the Company the Acquired Interest at the put option price, which is equivalent to the aggregate acquisition costs actually paid by the Company for the Acquired Interest (including all interest paid on the promissory notes, if any).

Further details of the Acquisition Agreement, the Acquired Interest and the Put Option were set out in the Company's announcements dated 17 June 2024.

## 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 (which was discontinued on 12 October 2023).

***(i) Revenue***

During the year, the Group's record revenue from continuing operations was approximately HK$242 million (2023: HK$367 million). The Group's revenue is mainly contributed from the rental income of the Port and Storage Facilities of approximately HK$164 million (2023: HK$157 million) and provision of agency services and trading of oil and liquefied chemical products of approximately HK$78 million (2023: HK$209 million) in aggregate.

***(ii) Gross profit***

During the year, the Group's record gross profit from continuing operations was approximately HK$158 million (2023: HK$162 million). The Board believes that the stable rental income generated from the leasing of Port and Storage Facilities enables the Group to maintain the gross profit position.

***(iii) Net gain on the derecognition of financial assets and liabilities***

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

After completion, the financial and operational performance of Tai'an Wanyue was under-performed as compared to the Group's expectation, as the property project experienced construction delay due to the outbreak of COVID-19 pandemic. In September 2021, the Group commenced legal action in the High Court of Hong Kong (the "**Litigation**") against (*inter alia*) the vendor of the Acquisition (the "**Vendor**") to apply for (*inter alia*) an Order to have the acquisition agreement set aside and any consideration already paid to be fully refunded.

On 17 June 2022, the Vendor surrendered the promissory notes in the aggregate face value of RMB110,500,000 to the Group for cancellation, thereby reducing the consideration of the Acquisition. Further details of the Litigation and the adjustment of consideration were set out in the Company's announcement dated 17 June 2022.

On 24 June 2022, the Group, the Vendor and Ever Rosy agreed on the settlement proposal of the Litigation (the "**Settlement Proposal**") on non-admission of liabilities basis and in full and final settlement of all claims under the proceedings of the Litigation. Further details of the Settlement Proposal were set out in the Company's announcement dated 24 June 2022.

As a results of the implementation of the Settlement Proposal, the Group derecognised the equity instruments at fair value through other comprehensive income and the promissory notes and recorded a net gain of approximately HK$63 million for the year ended 31 March 2023.

***(iv) Profit for the Year***

The Group recorded a profit for the year from continuing operations of approximately HK$95 million (2023: HK$127 million), such decrease was mainly attributable to the non-recurrence of net gain on the derecognition of financial assets and liabilities of approximately HK$63 million as mentioned above, which is partially offset by a net gain on the reversal of impairment loss under expected credit loss model on trade and other receivables of approximately HK$13 million; an increase in fair value gain on investment properties of approximately HK$4 million; a decrease in fair value loss on financial assets at FVTPL of approximately HK$5 million; and a decrease in finance costs of approximately HK$8 million due to the repayment of certain bank borrowings during the years ended 31 March 2024 and 2023.

**Business review**

***Operation of liquid chemical terminal, storage and logistics facilities business***

In 2015, the Group acquired 51% equity interest in Shundong Port, which owns two sea area use rights covering an aggregate area available for land-forming and reclamation construction of approximately 31.59 hectares in Dongying Port, Shandong Province, the PRC and permitting the construction of reclamation and landforming for use in sea transportation and port facilities for a 50-years' period running from 13 November 2014 to 12 November 2064 and 23 February 2016 to 22 February 2066 respectively. Shundong Port has completed the construction and commenced leasing of its Port and Storage Facilities since 2017, with full commercial operation having been achieved in May 2018. Approximately HK$164 million rental income was generated during the year.

In June 2020, two independent investors (the "**Investors**") entered into a funding agreement (the "**Funding Agreement**") with Shundong Port pursuant to which the Investors agreed to provide funding of RMB360 million to Shundong Port by way of non-voting, fixed-interest preferred shares. As at the date of this announcement, 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, at a consideration of RMB86,000,000. 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%.

***Insurance Brokerage Service***

On 12 October 2023, the Group discontinued the Insurance Brokerage Service upon the completion of disposal of the iECO Financial.

**Financial review**

***Liquidity, financial resources and capital structure***

As at 31 March 2024, the Group had total assets of approximately HK$2,165 million (2023: HK$1,999 million), total liabilities of approximately HK$811 million (2023: HK$826 million), indicating a gearing ratio of 0.37 (2023: 0.41) on the basis of total liabilities over total assets. The current ratio of the Group as at 31 March 2024 was 3.14 (2023: 1.95) on basis of current assets over current liabilities.

As at 31 March 2024, the Group had aggregate bank and other borrowings of approximately HK$160 million (2023: HK$186 million). The aggregate bank deposits and cash in hand of the Group were approximately HK$591 million (2023: HK$83 million).

***Contingent liabilities***

As at 31 March 2024, the Group did not have any significant contingent liabilities (2023: Nil).

***Capital and other commitments***

The Group had capital commitments contracted but not provided for of approximately HK$9 million as at 31 March 2024 (2023: HK$113 million).

***Charges on assets***

As at 31 March 2024, the entire investment properties of approximately HK$1,507 million (2023: HK$1,565 million) were pledged for the Group's bank borrowings.

***Exchange exposure***

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

*Employee information*

As at 31 March 2024, the Group employed 67 full-time employees (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.

*Dividends*

The Board did not recommend the payment of any dividend for the year (2023: 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 an independent third party (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 repossess 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 selfoperation 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$37 million rental income was generated during the year ended 31 March 2024.

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.

***Financial service business***

On 17 June 2024, the Company acquired a 28% look-through effective interest in a leading credit assessment fintech solution providers (the "**Opco Group**") in the PRC, which is principally engaged in the provision of credit assessment, fund matching and technical services for financial institutions, for a consideration of RMB200,000,000 (the "**Acquisition**"). The Directors are of the view that the Acquisition would allow the Group to tap into the rapidly developing credit assessment fintech solutions market in the PRC with an established market position. By pre-agreeing with a dividend policy, the Company can benefit from investment return of the Opco Group if and when it has accumulated profits and surplus over necessary cash reserve. The Company has struck a balance between the limiting of risk associated with new investment, and the grasping of business opportunity to shift from traditional industries to "new quality productive forces" as promoted by the top leaders of the PRC and for the long-term sustainable development of the Group.

## CONNECTED TRANSACTION INVOLVING SUBSCRIPTION OF NEW SHARES UNDER SPECIFIC MANDATE

On 28 April 2023, the Company and the Subscriber, namely Cosmic Shine International Limited, a company 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 on 28 April 2023, 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 Share**") 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 31 March 2024, utilisation of the net proceeds of approximately HK$146.8 million is as follows:

| **Intended use of proceeds** | **Net proceeds** | **Amount utilised as at 31 March 2024** | **Amount unutilised as at 31 March 2024** |
|---|---|---|---|
| | *HK$'million* | *HK$'million* | *HK$'million* |
| Repayment of the promissory note | 5.2 | (5.2) | – |
| Repayment of the bank loan | 141.6 | (12.0) | 129.6 |
| | 146.8 | (17.2) | 129.6 |

## PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

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

## COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company and the Board have applied the principles in the code provisions of the Corporate Governance Code and Corporate Governance Report (the "**CG Code**") contained in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") by adopting the code provisions of the CG Code.

During the year, the Board has adopted and complied with the code provisions of the CG Code in so far they are applicable with the exception of the deviation from 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 of the Company (the "**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 his other prior engagement. That having said, the majority of independent non-executive Directors, including the chairmen of all the Board committees, were available to respond to questions and enquiries of the Shareholders at general meetings, and any Directors who were absent from the meeting were able to obtain an understanding of views expressed by Shareholders (if any) at the meeting from the attending Directors.

## MODEL CODE FOR SECURITIES TRANSACTIONS

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

## AUDIT COMMITTEE

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

## REVIEW OF ANNUAL RESULTS ANNOUNCEMENT

The figures in respect of the Group's consolidated income statement, consolidated statement of comprehensive income, consolidated statement of financial position and the related notes thereto for the year ended 31 March 2024 as set out in the preliminary announcement have been agreed by the Company's auditor, Crowe (HK) CPA Limited, to the amounts set out in the Group's consolidated financial statements for the year. The work performed by Crowe (HK) CPA Limited in this respect did not constitute an assurance engagement and consequently no opinion or assurance has been expressed by Crowe (HK) CPA Limited on the preliminary results announcement.

## PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This annual results announcement is published on the websites of the Stock Exchange (http://www.hkex.com.hk) and of the Company (http://website.energyintinv.wisdomir.com). The annual report of the Company for the year ended 31 March 2024, containing all the information required by the Listing Rules, is expected to be dispatched to the Shareholders and published on the above websites in or around end of July 2024.

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

Hong Kong, 28 June 2024

*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.*