Innovativity To Productivity

PRODUCTIVE TECHNOLOGIES COMPANY LIMITED

普達特科技有限公司*

(Incorporated in Bermuda and continued in the Cayman Islands with limited liability)

(Stock Code: 650)

FINAL RESULTS FOR THE YEAR ENDED 31 MARCH 2024

The board (the "**Board**") of directors (the "**Directors**") of Productive Technologies Company Limited (the "**Company**") is pleased to announce the consolidated results of the Company and its subsidiaries (the "**Group**") for the financial year ended 31 March 2024 ("**FY2023**") together with the comparative figures for the previous year ("**FY2022**").

BUSINESS HIGHLIGHTS

Our semiconductor equipment business:

Our CUBE/QUADRA single wafer cleaning equipment, applicable to 6-12 inch wafers, continued to receive formal orders from four new customers in FY2023 after realizing its first sales in FY2022. Some of the equipment has been shipped to the customers and completed acceptance. As of the date of this final results announcement, our CUBE/QUADRA platforms have cumulatively delivered 8 sets of equipment, representing approximately 10% of the total market deliveries during the same period. As the equipment moves into mass production, technological iteration is also ongoing. With industry-leading Bernoulli transmission technology, wafer edge processing technology, and higher productivity, our CUBE/QUADRA equipment provides customers with better performance and higher cost-effectiveness in backside wet processing applications. The Company is gradually expanding its substitution for products from international equipment manufacturers, striving to become a leader in this segment.

OCTOPUS single wafer cleaning equipment represents an advanced cleaning process for 12-inch wafers widely used in the fields of logic and memory. The equipment possesses more efficient transmission technology and higher productivity as compared to its peers, and has achieved technical performance comparable to domestic products in high-temperature SPM cleaning. In FY2023, the OCTOPUS single wafer cleaning equipment was successfully delivered to a second customer and has received purchase offers from several customers.

Parallelo cleaning equipment is designed for 12 inch wafer cleaning processes. The first equipment delivery is expected to be completed in the financial year ended 31 March 2025 ("**FY2024**"). This equipment features a modular design and buffer tank, suitable for flexible configuration and capacity enhancement, which can increase equipment uptime by 3%. It also achieves advanced surface metal contamination control, making it an important part to the Company's advanced cleaning equipment product portfolio.

Low pressure chemical vapor deposition ("**LPCVD**") equipment is used for high-end advanced 12-inch thin film deposition processes such as ALD-SiN, Poly, and LP-SiN. The Company has completed the development of three types of advanced LPCVD equipment, with shipments of each type expected to commence in FY2024. The Company has signed a cooperation agreement with a key customer and has also reserved several high-potential leading customers. The first flagship product, XKAD-300 atomic layer silicon nitride deposition equipment, can achieve high depth-to-width ratio, trench and hole filling with great uniformity, high step coverage, and extremely low contamination, with higher production efficiency. It supports both Thermal ALD and Plasma ALD reaction modes. In the future, the Company will develop LPCVD equipment covering a wider range of processes, from high-end to low-end applications.

In FY2023, the CUBE equipment won the Best Application Award in China's Semiconductor Market 2023-2024, and the OCTOPUS equipment won the Innovative Product Award in China's Semiconductor Market 2023-2024.

In terms of semiconductor equipment customers, since obtaining its first semiconductor equipment order in FY2022, the Company has signed equipment orders with more than ten semiconductor manufacturers and is currently in the process of technical and commercial communications with more than 20 customers. Through our CUBE and OCTOPUS equipment, the Company is serving a customer base including sizable DRAM manufacturers, 12-inch wafer foundries, automotive-class SiC chip manufacturers, and IDM wafer factories. The Company will further expand its high-quality leading customer base, and provide continuous support for the further implementation of China's domestic semiconductor manufacturing capacity in the long run, thereby achieving sustained development of its semiconductor equipment business.

Benefiting from the above business progress, as at the end of FY2023, in terms of semiconductor cleaning equipment, the Company's amount of unrecognized revenue from orders on hand (VAT included) reached approximately HK$220.9 million, representing an increase of 109% as compared to that for FY2022, among which the orders for equipment for 12-inch wafers amounted to approximately HK$179.4 million, accounting for 81%; the amount of unrecognized revenue from orders cumulatively delivered (VAT included) reached approximately HK$92.1 million, representing an increase of 160% as compared to that for FY2022, all of which were orders for equipment for 12-inch wafers; and orders that passed pre-acceptance during the financial year (VAT included) amounted to approximately HK$107.9 million, representing an increase of 704% as compared to that for FY2022, among which the orders for equipment for 12-inch wafers amounted to approximately HK$92.1 million, accounting for 85%.

Our solar cell equipment business:

Batch cleaning equipment and inline cleaning equipment. In FY2023, the Company effectively integrated the business and technological advantages of RENA Germany, and through continuous technological innovation and cost reduction measures, successfully launched the industry's first high-productivity batch cleaning equipment with six baskets, and realized mass production. Based on the design concepts and core technical capabilities of semiconductor equipment, the Company successfully launched the industry's first double-deck inline cleaning equipment. After technological iteration and optimization, the single-machine production capacity of the Company's equipment has been increased to 1 gigawatt (GW), representing a 50% increase compared to the previous generation, achieving savings of over 15% in single-piece chemical consumption and 20% in heating energy consumption, respectively. At the same time, the Company has signed more than ten full-line sales orders for solar cell wet processing equipment with leading customers in the industry, marking a new stage in the Company's product portfolio and sales model for solar cell equipment.

InCellPlate, the solar copper plating equipment, is applied in the metallization process as an alternative of silver paste. It has become an industry consensus that the copper plating technology replaces screen printing, however, it is still in the early days of industrialization exploration. The Company has conducted research and development ("**R&D**") jointly with leading manufacturers to achieve greater current density and higher deposition rates, and the equipment has been delivered to a top-tier customer and is in the process of verification. With the addition of a double-deck inline platform, this equipment is poised to emerge as a high-capacity copper plating solution that leads the industry in comprehensive performance capabilities.

In terms of solar cell equipment customers, the Company has taken over and further strengthened the customer base of RENA Germany accumulated over ten years, covering major domestic solar cell manufacturers. On this foundation, the Company adheres to a strategy focused on major clients and cultivates a clientele that combines robust technical R&D capabilities with substantial financial resources. By innovating products in synergy with semiconductor equipment technology, and improving cost efficiency of production and operation, the Company mitigates the impact of industry-wide fluctuations on its performance, which ensures the sustainability and potential for long-term growth in the solar cell equipment business.

Benefiting from the above business progress, as of the end of FY2023, in terms of solar cell cleaning equipment, the Company's amount of unrecognized revenue from orders on hand (VAT included) reached approximately HK$325.2 million, representing an increase of 80% as compared to that for FY2022; amount of unrecognized revenue from orders cumulatively delivered (VAT included) reached approximately HK$112.4 million, representing an increase of 67% as compared to that for FY2022; and orders that passed pre-acceptance during the financial year (VAT included) amounted to approximately HK$233.8 million.

R&D of our technology:

As of the end of FY2023, the Company has a total of 435 employees (of which 346 were in the semiconductor and solar cell equipment business), including 114 R&D personnel, accounting for approximately 26% of its total staff. The high proportion of R&D personnel effectively supports the Company's strategic goal of providing advanced high-productivity solutions for the industry through technological innovation, and is also a guarantee of the Company's ability to develop new products and iterative upgrading of existing products at this stage. The core technical personnel of the Company possess the work experience in top international semiconductor equipment manufacturers, with an average experience of more than 20 years in semiconductor industry. Therefore, they are capable of leading the comprehensive product development from technology innovation, engineering design to R&D management and process application, which enables the swift launch and stable mass production of the Company's products, thereby empowering the Company as an important participant in the localisation of semiconductor equipments.

As of the date of this final results announcement, the Company has applied for 76 patents, including 34 invention patents, 34 utility model patents, and 8 design patents. Among them, 32 patents have been authorized, including 10 invention patents, 21 utility model patents and 1 design patent.

In light of the Company's outstanding performance in the semiconductor equipment industry, the Company is selected as a collaborating unit for the "Typical Cases of China's Strategic Emerging Industries" of the Macroeconomic Department of the National Development and Reform Commission, and a standard-setting unit for the "Testing Methods for Wet Cleaning Equipment Used in Semiconductor Manufacturing" and "Remote Operation and Maintenance Status Monitoring of Integrated Circuit Packaging Equipment" of the National Standardization Administration of China.

CORPORATE PROFILE

The Group is engaged in the business of productivity-driven equipment applied in semiconductor and solar cell businesses. It also operates an oil and gas production project in the People's Republic of China (the "**PRC**").

During FY2023, the Company commenced businesses in development and manufacturing of innovative Wafer Fabrication Equipment ("**WFE**") and solar cell production equipment. WFE comprises high-end single wafer cleaning and LPCVD equipment for front-end wafer processing. Solar cell production equipment includes wet chemical cleaning equipment and copper plating equipment. The Company has established and acquired companies in China and abroad for the operation, R&D, and manufacturing of the above-mentioned businesses (among which LPCVD equipment is currently under development), which mainly include Productive Technologies (Shanghai) Limited* (上海普達特半導體設備有限公司) ("**PDT Shanghai**"), Productive Technologies (Xuzhou) Limited* (普達特半導體設備(徐州)有限公司) ("**PDT Xuzhou**"), Xinkai Semiconductor Equipment (Xuzhou) Co., Ltd.* (芯愷半導體設備(徐州)有限責任公司) ("**Xinkai**"), Britech Semiconductor Equipment (Shanghai) Co., Ltd. ("**Britech**"), Productive Equipment Technologies (Shanghai) Co., Ltd.* (上海普達特設備科技有限公司) ("**PDT Technologies**"), and Rena Solar Technologies (Yiwu) Co., Ltd.* (瑞納太陽能科技(義烏)有限公司) ("**Rena Yiwu**"). Xilin Gol League Hongbo Mining Development Company Limited* (錫林郭勒盟宏博礦業開發有限公司) ("**Hongbo Mining**") is a subsidiary of the Company engaged in sale of crude oil. The principal business of the major subsidiaries and investment portfolio companies are set out as below:

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

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

- Xinkai, established on 18 August 2022, is a subsidiary controlled as to 69.2% by the Company. It is engaged in the sales, R&D and manufacturing of LPCVD high-end processing equipment.

- Britech, a company invested by the Group in 2022, is principally engaged in the business of semiconductor ASHER equipment and EPI equipment in China. The Company effectively holds 35% equity interest in Britech and classifies the investment in Britech as interest in an associate in the Group's consolidated financial statements.

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

- Hongbo Mining is a wholly-owned subsidiary acquired by the Company in 2016. It is an operating company engaged in the exploration, development, production and sales of crude oil in China with its gross sales volume of 306,715 barrels, and gross revenue from sales of approximately HK$188.3 million for FY2023.

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

FINANCIAL SUMMARY

	Year ended 31 March	
	2024	2023
	HK$'000	*HK$'000*
Revenue from sales *(Note 1)*	**543,638**	567,511
— from sales of equipment *(Note 1)*	**368,646**	357,593
— from sales of crude oil *(Note 1)*	**157,663**	188,345
— from rendering of service	**17,329**	21,573
Gross profit *(Note 2)*	**82,203**	115,871
Investment loss *(Note 3)*	**(44,225)**	(13,981)
EBITDA *(Note 4)*	**(241,571)**	(127,782)
Adjusted EBITDA *(Note 4)*	**(143,385)**	(26,308)
Loss before taxation	**(349,361)**	(218,874)
Loss for the year *(Note 5)*	**(362,131)**	(229,193)
— Attributable to equity shareholders of the Company	**(347,484)**	(222,513)
— Attributable to non-controlling interests	**(14,647)**	(6,680)
Basic and diluted loss per share (HK$ per share)	**(4.689 cent)**	(2.925 cent)

	As at 31 March	
	2024	2023
	HK$'000	*HK$'000*
Non-current assets	**1,193,392**	1,296,886
Current assets	**1,429,745**	1,615,549
Total assets	**2,623,137**	2,912,435
Current liabilities	**761,840**	594,682
Non-current liabilities	**103,066**	116,290
Total liabilities	**864,906**	710,972
Net assets	**1,758,231**	2,201,463
Total equity attributable to equity shareholders of the Company	**1,772,353**	2,206,849

Note 1: The revenue from sales represents:

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

(2) the revenue generated from the net sales of crude oil produced by Hongbo Mining.

Note 2: The decrease in the gross profit was mainly due to the decrease in gross profit contribution from Hongbo Mining's crude oil sales business.

Note 3: The investment loss stated here mainly includes (i) the net of investment income and losses in the form of fair value change from investment projects; and (ii) the gain or loss shared from associates. Please also note that following a recently completed fundraising of RMB70 million from third-party investors, the pre-money equity valuation of one associate of the Company engaging in the business of semiconductor ASHER equipment and EPI equipment increased to RMB350 million compared with that of RMB50 million when the Company made the investment as one of the founding shareholders. However, under the prevailing accounting standards, the Company recognized the net loss amounting to approximately HK$5.3 million in such associate rather than recognizing the fair value gain of approximately HK$100.9 million.

Note 4: Non-HKFRs Adjusted EBITDA

In evaluating our business, we consider and use certain non-GAAP measures, including adjusted EBITDA (Non-GAAP Financial Measure), as supplemental measures to review and assess our operating performance.

Adjusted EBITDA is earnings before finance costs, finance revenues, income taxes, depreciation and amortisation, equity settled share option expenses, and other one-off expenses. This is not a HKFRs measure. Adjusted EBITDA is presented exclusively as a supplemental disclosure because our Directors believe that it is widely used to measure the performance, and as a basis for valuation. We present these Non-HKFRs financial measures because they are used by our management to evaluate our operating performance and formulate business plans. We also believe that the use of these non-GAAP measures facilitates investors' assessment of our operating performance.

The following table sets forth a quantitative reconciliation of Adjusted EBITDA to its most directly comparable HKFRs measurement and loss before taxation.

	For the year ended 31 March	
	2024	2023
	HK$'000	*HK$'000*
Loss before taxation	**(349,361)**	(218,874)
Add/(Less):		
Depreciation and amortisation	**101,430**	89,343
Interest expenses	**6,360**	1,749
EBITDA	**(241,571)**	(127,782)
Adjusted for:		
Impairment loss of inventories	**15,763**	–
Share of losses of an associate	**43,031**	42,763
Impairment loss of trade and other receivables	**1,218**	7,699
Equity-settled share-based payment expenses	**30,426**	51,012
One-off transaction costs	**7,748**	–
Non-HKFRs Adjusted EBITDA	**(143,385)**	(26,308)

Note 5: The loss for FY2023 was primarily attributable to the R&D and administrative expenses of approximately HK$339.9 million in relation to the rapid development and expansion of the Company's business in semiconductor and solar industry, including share-based compensation to employees and depreciation & amortisation expenses caused by the acquisition of solar companies completed in FY2022, both of which are non-cash in nature.

OPERATING SUMMARY

		For the year ended 31 March	
		2024	2023
		HK$'000	*HK$'000*
Semiconductor and solar cell	**Semiconductor cleaning equipment (VAT included)**		
	Amount of unrecognized revenue from orders on hand (VAT included)	**220,989**	105,608
	Among which: orders for equipment for 12-inch wafers	**179,436**	92,184
	Amount of unrecognized revenue from orders cumulatively delivered (VAT included) *(Note 1)*	**92,184**	35,394
	Among which: orders for equipment for 12-inch wafers	**92,184**	35,394
	Orders that passed pre-acceptance during the financial year (VAT included)	**107,968**	13,424
	Among which: orders for equipment for 12-inch wafers	**92,184**	–
	Solar cell cleaning equipment (VAT included)		
	Amount of unrecognized revenue from orders on hand (VAT included)	**325,274**	180,327
	Amount of unrecognized revenue from orders cumulatively delivered (VAT included) *(Note 1)*	**112,437**	67,470
	Orders that passed pre-acceptance during the financial year (VAT included)	**233,825**	–
Oil and gas and others	**Upstream oil and gas business from Hongbo Mining**		
	Gross production volume (barrels) *(Note 2)*	**306,154**	305,701
	Gross sales volume (barrels) *(Note 2)*	**306,715**	305,678
	Net sales volume (barrels)	**245,372**	244,542
	Average unit selling price (HK$ per barrel) *(Note 2)*	**617**	730
	Average daily gross production volume (barrels)	**850**	849
	Average unit production cost before depreciation and amortisation (HK$ per barrel) *(Note 2)*	**151**	136
	Average unit production cost (HK$ per barrel) *(Note 2)*	**363**	345
	Wells drilled during the financial year — Oil producers (unit) *(Note 3)*	**4**	8
	Fracturing workover during the financial year (unit)	**4**	4

Note 1: The Company successfully delivered orders to customers amounting to approximately HK$92.1 million for semiconductor cleaning equipment and HK$112.4 million for solar cell cleaning equipment as of 31 March 2024, revenue generated from which has not been recognized. As of the date of this final results announcement, the Company has successfully delivered orders to customers amounting to approximately HK$154.2 million for semiconductor cleaning equipment and HK$116.1million for solar cell cleaning equipment, revenue generated from which has not been recognized.

Note 2: Hongbo Mining is a subsidiary of the Company engaged in exploration, development, production and sales of crude oil in the PRC. Hongbo Mining's gross production volume was used in the calculation of average unit production cost and average unit production cost before depreciation and amortisation, which includes 20% of crude oil production volume as the entitlement for Shaanxi Yanchang Petroleum (Group) Company Limited (Yanchang Oil Mineral Administrative Bureau* (陝西延長石油(集團)有限責任公司(延長油礦管理局)) ("**Yanchang**"). The average unit selling price was calculated using the net sales amount and net sales volume which exclude Yanchang's 20% entitlement. Gross sales volume equals to the net sales volume plus Yanchang's 20% entitlement.

Note 3: In FY2023, Hongbo Mining had successfully drilled 4 wells.

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

FINANCIAL RESULTS

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

for the year ended 31 March 2024
(Expressed in Hong Kong dollars)

	Note	Year ended 31 March **2024** *HK$'000*	2023 *HK$'000*
Revenue	*3*	**543,638**	567,511
Cost of sales		**(461,435)**	(451,640)
Gross profit		**82,203**	115,871
Investment loss, net	*4*	**(44,225)**	(13,981)
Other net gains/(losses)		**21,720**	(34,966)
Administrative expenses		**(186,661)**	(148,216)
Taxes other than income tax	*5*	**(22,168)**	(33,216)
Research and development expenses		**(153,270)**	(68,694)
Selling and marketing expenses		**(40,211)**	(24,463)
Exploration expenses, including dry holes		**(764)**	(1,029)
Impairment loss on trade and other receivables		**(1,218)**	(7,699)
Loss from operations		**(344,594)**	(216,393)
Finance income		**20,114**	8,608
Finance cost		**(24,881)**	(11,089)
Net finance costs	*6*	**(4,767)**	(2,481)
Loss before taxation		**(349,361)**	(218,874)
Income tax	*7*	**(12,770)**	(10,319)
Loss for the year		**(362,131)**	(229,193)
Attributable to:			
Equity shareholders of the company		**(347,484)**	(222,513)
Non-controlling interests		**(14,647)**	(6,680)
Loss for the year		**(362,131)**	(229,193)
Loss per share	*8*		
— Basic		**HK$(4.689 cent)**	HK$(2.925 cent)
— Diluted		**HK$(4.689 cent)**	HK$(2.925 cent)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
for the year ended 31 March 2024
(Expressed in Hong Kong dollars)

	Year ended 31 March	
	2024	2023
	HK$'000	*HK$'000*
Loss for the year	**(362,131)**	(229,193)
Other comprehensive income for the year (after tax and reclassification adjustments)		
Items that may be reclassified subsequently to profit or loss:		
Foreign currency translation differences	**(29,684)**	(53,545)
Other comprehensive income for the year	**(29,684)**	(53,545)
Total comprehensive income for the year	**(391,815)**	(282,738)
Attributable to:		
Equity shareholders of the company	**(375,890)**	(277,352)
Non-controlling interests	**(15,925)**	(5,386)
Total comprehensive income for the year	**(391,815)**	(282,738)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 31 March 2024

(Expressed in Hong Kong dollars)

	Note	**At 31 March 2024** *HK$'000*	At 31 March 2023 *HK$'000*
Non-current assets			
Property, plant and equipment		**410,491**	467,087
Construction in progress		**6,999**	2,454
Intangible assets		**123,882**	144,052
Goodwill		**265,632**	265,632
Right-of-use assets		**36,900**	43,149
Interest in associates		**207,293**	252,821
Financial assets at fair value through profit or loss	*9*	**102,764**	99,940
Other non-current assets		**39,431**	18,881
Deferred tax assets		**–**	2,870
		1,193,392	1,296,886
Current assets			
Inventories		**463,279**	517,664
Trade receivables	*10*	**93,532**	38,891
Bills receivables	*10*	**8,440**	26,411
Other receivables	*10*	**31,192**	68,884
Prepayment		**56,994**	66,436
Financial assets at fair value through profit or loss	*9*	**–**	128,151
Other current assets		**45,686**	24,703
Restricted cash		**199,182**	269,620
Time deposits with maturities over three months but within one year		**133,049**	211,941
Cash and cash equivalents		**398,391**	262,848
		1,429,745	1,615,549
Current liabilities			
Trade and other payables	*11*	**423,388**	336,702
Contract liabilities		**54,506**	176,064
Bank and other borrowings		**261,100**	63,970
Lease liabilities		**11,191**	10,855
Other current liabilities		**11,655**	7,091
		761,840	594,682

	Note	At 31 March 2024 HK$'000	At 31 March 2023 HK$'000
Net current assets		**667,905**	1,020,867
Total assets less current liabilities		**1,861,297**	2,317,753
Non-current liabilities			
Lease liabilities		**14,029**	23,367
Deferred tax liabilities		**7,086**	15,302
Provisions		**81,951**	77,621
		103,066	116,290
NET ASSETS		**1,758,231**	2,201,463
CAPITAL AND RESERVES			
Share capital	*13(b)*	**74,013**	75,193
Treasury shares		**(1,347)**	(1,535)
Reserves		**1,699,687**	2,133,191
Total equity attributable to equity shareholders of the company		**1,772,353**	2,206,849
Non-controlling interests		**(14,122)**	(5,386)
TOTAL EQUITY		**1,758,231**	2,201,463

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

(Expressed in Hong Kong dollars unless otherwise indicated)

1 CORPORATE INFORMATION

Productive Technologies Company Limited (the "**Company**"), is an investment holding company, which was incorporated in Bermuda and continued in the Cayman Islands as an exempted company with limited liability and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). The Company's registered office is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and its head office and principal place of business is located at Unit 5507, 55/F., The Center, 99 Queen's Road Central, Hong Kong.

The Company and subsidiaries (the "**Group**") are engaged in the business of productivity-driven equipment applied in semiconductor and solar cell businesses. It also operates an oil and gas production project in the People's Republic of China (the "**PRC**").

2 MATERIAL ACCOUNTING POLICIES

(a) Statement of compliance

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

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

(b) Basis of preparation

The consolidated financial information for the year ended 31 March 2024 comprises the Company and its subsidiaries and the Group's interest in associates.

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

— Financial assets at fair value through profit or loss.

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

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

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

(c) Changes in accounting policies

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

- HKFRS 17, *Insurance contracts*
- Amendments to HKAS 8, *Accounting policies, changes in accounting estimates and errors: Definition of accounting estimates*
- Amendments to HKAS 1, *Presentation of financial statements and HKFRS Practice Statement 2, Making materiality judgements: Disclosure of accounting policies*
- Amendments to HKAS 12, *Income taxes: Deferred tax related to assets and liabilities arising from a single transaction*

None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3 REVENUE AND SEGMENT REPORTING

(a) Disaggregation of revenue

The amount of each significant category of revenue recognised is as follows:

	Year ended 31 March	
	2024	2023
	HK$'000	*HK$'000*
Revenue from contracts with customers and recognised at point in time within the scope of HKFRS 15		
— sales of equipment *(note (i))*	**368,646**	357,593
— sales of crude oil *(note (ii))*	**157,663**	188,345
— rendering of services	**17,329**	21,573
Cost of sales and services		
— sales of equipment	**(338,940)**	(330,213)
— sales of crude oil	**(111,208)**	(107,735)
— rendering of services	**(11,287)**	(13,692)
	82,203	115,871

Notes:

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

(ii) The amount of revenue from sales of crude oil represents the sales value of crude oil extracted and supplied to customers by one subsidiary of the Group, net of value added tax. The sales prices is determined by the dated Brent crude oil price with discount with range from HK$18 to HK$25 per barrel during the year ended 31 March 2024. There are four major customers with whom transactions exceeded 10% of the revenue from sales of crude oil.

(b) Segment reporting

The Group manages its businesses by divisions, which are organised by a mixture of both business lines (products and services). In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group presented the following two reportable segments. Details of the Group's reportable segments are as follows:

- Semiconductor and solar cell: this segment operates in research and development, manufacturing and sales of advanced processing equipment for solar cell and semiconductor industries.

- Oil and gas and others: this segment invests and operates upstream oil and gas business, LNG business, and generates income from processing of oil and gas and LNG, as well as investing and managing energy-related and other industries and businesses.

(i) Segment results, assets and liabilities

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

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

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

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

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

Disaggregation of revenue from contracts with customers, as well as information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 31 March 2024 and 2023 is set out below.

	Semiconductor and solar cell Year ended 31 March		**Oil and gas and others Year ended 31 March**		**Total Year ended 31 March**	
	2024	2023	**2024**	2023	**2024**	2023
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Revenue from external customers *(note)*	**385,975**	379,166	**157,663**	188,345	**543,638**	567,511
Investment loss	**(5,305)**	–	**(38,920)**	(13,981)	**(44,225)**	(13,981)
Reportable segment loss (EBITDA)	**(233,918)**	(103,332)	**(7,653)**	(24,425)	**(241,571)**	(127,757)
Depreciation and amortisation	**(32,318)**	(21,511)	**(69,112)**	(67,832)	**(101,430)**	(89,343)
Interest income	**333**	163	**18,151**	7,606	**18,484**	7,769
Interest expense	**(6,020)**	(871)	**(340)**	(903)	**(6,360)**	(1,774)
Impairment loss on trade and other receivables	**(1,218)**	(761)	**–**	(6,938)	**(1,218)**	(7,699)
Reportable segment assets	**1,139,406**	1,172,371	**1,980,276**	2,209,297	**3,119,682**	3,381,668
(including interest in associates)	**13,946**	19,655	**193,347**	233,166	**207,293**	252,821
Additions to non-current segment assets during the year	**8,973**	188,402	**14,011**	34,594	**22,984**	222,996
Reportable segment liabilities	**(1,011,432)**	(897,926)	**(342,933)**	(269,847)	**(1,354,365)**	(1,167,773)

Note:

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

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

	Semiconductor and solar cell Year ended 31 March		Oil and gas and others Year ended 31 March		Total Year ended 31 March	
	2024	2023	**2024**	2023	**2024**	2023
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Revenue from external customers	**385,975**	379,166	**157,663**	188,345	**543,638**	567,511

	Semiconductor and solar cell Year ended 31 March		Oil and gas and others Year ended 31 March		Total Year ended 31 March	
	2024	2023	**2024**	2023	**2024**	2023
Loss	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Reportable segment loss (EBITDA)	**(233,918)**	(103,332)	**(7,653)**	(24,425)	**(241,571)**	(127,757)
Elimination of inter-segment profits	**–**	(25)	**–**	–	**–**	(25)
Depreciation and amortisation	**(32,318)**	(21,511)	**(69,112)**	(67,832)	**(101,430)**	(89,343)
Interest expense	**(6,020)**	(846)	**(340)**	(903)	**(6,360)**	(1,749)
Consolidated loss before taxation	**(272,256)**	(125,714)	**(77,105)**	(93,160)	**(349,361)**	(218,874)

	At 31 March	At 31 March
	2024	2023
Assets	***HK$'000***	*HK$'000*
Reportable segment assets	**3,119,682**	3,381,668
Deferred tax assets	**–**	2,870
Elimination of inter-segment receivables	**(496,545)**	(472,103)
Consolidated total assets	**2,623,137**	2,912,435

	At 31 March	At 31 March
	2024	2023
Liabilities	***HK$'000***	*HK$'000*
Reportable segment liabilities	**1,354,365**	1,167,773
Deferred tax liabilities	**7,086**	15,302
Elimination of inter-segment payables	**(496,545)**	(472,103)
Consolidated total liabilities	**864,906**	710,972

(iii) Geographic information

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

4 INVESTMENT LOSS, NET

	Year ended 31 March	
	2024	2023
	HK$'000	*HK$'000*
JOVO investment *(note (1))*	**794**	13,393
Fund investment *(note (1))*	**(3,984)**	(10,470)
Dividend income *(note (2))*	**378**	3,440
Share of losses of associates	**(43,031)**	(42,763)
Net realised and unrealised gains on derivative financial instruments	**–**	2,088
Others	**1,618**	20,331
	(44,225)	(13,981)

Notes:

(1) These amounts represent fair value changes and/or disposal gains or losses of the various investments during the year ended 31 March 2024 and 2023. Such assets are measured at FVPL, any interest income arising from such assets is included in fair value changes. Please refer to Note 9 for the detailed information about the change of the investment in JOVO. The Group disposed the investment in JOVO during the year ended 31 March 2024.

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

5 TAXES OTHER THAN INCOME TAX

	Year ended 31 March	
	2024	2023
	HK$'000	*HK$'000*
Resources tax *(note (1))*	**9,460**	10,708
Petroleum special profit levy *(note (2))*	**10,332**	20,128
City construction tax	**942**	884
Education surcharge	**842**	884
Water resources tax	**592**	612
	22,168	33,216

Notes:

(1) Resources tax was calculated based on the revenue from sales of crude oil and tax rate of 6%.

(2) Petroleum special profit levy was charged at 20% to 40% based on the sales of crude oil at prices higher than a specific level.

6 NET FINANCE COSTS

	Year ended 31 March	
	2024	2023
	HK$'000	*HK$'000*
Interest income	**18,484**	7,744
Net gain on bank financial products	**1,630**	864
Foreign exchange loss, net	**(15,047)**	(6,271)
Interest on bank and other borrowings	**(5,129)**	(608)
Interest on lease liabilities	**(1,231)**	(1,141)
Accretion expenses	**(3,295)**	(2,949)
Others	**(179)**	(120)
Total	**(4,767)**	(2,481)

7 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

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

	Year ended 31 March	
	2024	2023
	HK$'000	*HK$'000*
Current tax — Hong Kong Profits Tax		
Provision for the year	**–**	–
Current tax — the PRC		
Provision for the year	**17,841**	15,437
(Over)/Under-provision in prior year	**(163)**	8,980
Deferred tax		
Origination and reversal of temporary differences	**(4,908)**	(14,098)
	12,770	10,319

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

	Year ended 31 March	
	2024	2023
	HK$'000	*HK$'000*
Loss before taxation	**(349,361)**	(218,874)
Notional tax on profit before taxation, calculated at the rates applicable to profits in the countries concerned	**(69,834)**	(48,425)
R&D expenses super deduction	**(11,109)**	(9,602)
Effect of non-taxable income	**(2,832)**	(2,051)
Effect of non-deductible expenses	**10,427**	13,994
Effect of unrecognised tax losses	**86,281**	47,423
(Over)/Under-provision in prior year	**(163)**	8,980
Actual tax expense	**12,770**	10,319

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

No provision for Hong Kong profits tax has been made as the Group's operations in Hong Kong had no assessable profits for the year. The provision for Hong Kong profits tax is calculated at 16.5% (2023: 16.5%) of the estimated assessable profit for the years.

The provision for PRC current income tax is based on a statutory rate of 25% (2023: 25%) of the assessable profit as determined in accordance with the relevant income tax rules and regulations of the PRC.

8 LOSS PER SHARE

(a) Basic loss per share

The calculation of basic and diluted loss per share is based on the loss attributable to ordinary equity shareholders of the Company of HK$347,484,000 (year ended 31 March 2023: HK$222,513,000) and the weighted average of 7,409,930,000 ordinary shares (year ended 31 March 2023: 7,607,073,000 shares) in issue during the year, calculated as follows:

Weighted average number of ordinary shares

	2024	2023
	'000	*'000*
Issued ordinary shares at 1 April	**7,519,302**	7,564,447
Effect of shares repurchased *(note 13(b))*	**(109,967)**	(432)
Effect of equity settled share-based transaction *(note 12)*	**595**	43,058
Weighted average number of ordinary shares at 31 March	**7,409,930**	7,607,073

(b) Diluted loss per share

There were no potential dilutive shares as at the year ended 31 March 2024 and 2023, and the diluted loss per share are equal to the basic loss per share.

9 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	At 31 March 2024 *HK$'000*	At 31 March 2023 *HK$'000*
Non-current assets		
Fund investment *(note (a))*	**102,764**	99,940
Current assets		
JOVO investment *(note (b))*	–	52,416
Bank financial products	–	75,735
	–	128,151

Notes:

(a) On 8 June 2020, Valuefort Investment Limited ("**Valuefort**"), a wholly-owned subsidiary of the Company, and general partner of IDG Capital Project Fund II, L.P. (the "**Fund**") entered into an subscription agreement for the admission of Valuefort as the subscriber into the Fund. Pursuant to the agreement, Valuefort proposed to make capital commitments of US$20 million (equivalent to approximately HK$155.05 million). As at 31 March 2024, the total capital contributed by Valuefort was US$14.3 million (equivalent to approximately HK$111.9 million) and the fair value of the Fund investment was HK$102.8 million.

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

JOVO is a comprehensive clean energy service provider focusing on the mid-stream and terminal aspect of the gas industry. It offers a wide range of clean energy and related products, such as liquefied natural gas (LNG), liquefied petroleum gas (LPG) and methanol, and comprehensive solutions of international energy provision and integrated application.

On 25 May 2021, JOVO successfully completed its IPO and listed its shares on the Shanghai Stock Exchange.

During the year ended 31 March 2024, Valuevale sold the all of JOVO shares on the A-share market.

10 TRADE AND OTHER RECEIVABLES

	At 31 March 2024 HK$'000	At 31 March 2023 HK$'000
Trade receivables, net of allowance for doubtful debts	**93,532**	38,891
Bills receivable	**8,440**	26,411
Other receivables	**31,192**	68,884
	133,164	134,186

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

Aging analysis

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

	At 31 March 2024 HK$'000	At 31 March 2023 HK$'000
Within 1 month	**27,302**	14,226
1 to 6 months	**52,230**	16,584
7 to 12 months	**1,104**	6,880
Over 1 year	**12,896**	1,201
	93,532	38,891

11 TRADE AND OTHER PAYABLES

	At 31 March 2024 HK$'000	At 31 March 2023 HK$'000
Trade payables	**234,371**	165,614
Taxes other than income tax payable	**54,752**	44,485
Income tax payable	**17,787**	20,124
Cooperation sharing payable due to a third party	**58,752**	64,760
Interest payable	**9,244**	9,594
Others	**48,482**	32,125
	423,388	336,702

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

As of the end of the reporting period, the ageing analysis of trade payables, based on the invoice date (or date of recognition, if earlier), is as follows:

	At 31 March 2024 *HK$'000*	At 31 March 2023 *HK$'000*
Within 1 year	**213,289**	152,286
Over 1 year but within 2 years	**11,459**	1,408
Over 2 years but within 3 years	**1,144**	2,398
Over 3 years	**8,479**	9,522
	234,371	165,614

12 EQUITY SETTLED SHARE-BASED TRANSACTIONS

The Company adopted a share award scheme (the "**Share Award Scheme**") on 6 August 2021 whereby the directors were authorised, at their discretion, to select any eligible participant (other than any excluded participant) for participation in the Share Award Scheme. The vesting of the awarded shares is subject to the satisfaction of non-market and service period conditions specified by the Board or the administration committee in the award notice issued to each of the respective grantees.

On 7 October 2021 and 14 January 2022, the Company granted 60,120,000 and 17,379,000 award shares to 10 employees and 15 employees of the Group, respectively, without compensation, pursuant to the share award scheme. During the year ended 31 March 2023, the Company revised the vesting condition for both non-market and service period in relation to the above award shares. As a result, one of the employees returned 25,000,000 awards shares and exercised 12,000,000 award shares during the year ended 31 March 2023.

On 1 August 2022, 27 September 2022, 10 March 2023 and 15 March 2024, the Company granted 28,509,000, 61,415,094, 24,549,980 and 24,668,228 awarded shares to 14 employees, 1 employee, 45 employees and 41 employees of the Group, respectively, without compensation, pursuant to the Share Award Scheme. During the year ended 31 March 2024, the Company revised the vesting condition for both non-market and service period in relation to the above award shares.

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

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

The awarded shares granted on 7 October 2021, 14 January 2022, 1 August 2022, 27 September 2022, 10 March 2023 and 15 March 2024 were valued at HK$0.99, HK$1.10, HK$1.20, HK$1.16, HK$0.93 and HK$0.34 per share, respectively, which was the market price of the ordinary share at each grant date.

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

	2024	2023
	'000	*'000*
Outstanding at 1 April	**173,886**	52,414
Granted during the year	**24,668**	114,474
Returned during the year	**–**	25,000
Exercised during the year	**(59,688)**	(15,825)
Forfeited/lapsed during the year	**(13,423)**	(2,177)
Outstanding at 31 March	**125,443**	173,886

13 CAPITAL, RESERVES AND DIVIDENDS

(a) Dividends

No dividends were paid, declared or proposed during the year ended 31 March 2024 and 2023.

(b) Share capital

	Ordinary shares		**Preferred shares**		**Total**	
	Number of shares '000	*Nominal value HK$'000*	*Number of shares '000*	*Nominal value HK$'000*	*Number of shares '000*	*Nominal value HK$'000*
Shares of HK$0.01 each						
Authorised:						
At 1 April 2022, 31 March 2023 and 31 March 2024	11,000,000	110,000	5,000,000	50,000	16,000,000	160,000
Issued, paid or payable:						
At 1 April 2022	7,564,447	75,644	–	–	7,564,447	75,644
Insurance of shares *(note (1))*	112,591	1,126	–	–	112,591	1,126
Purchase of own shares *(note (2))*	(157,736)	(1,577)	–	–	(157,736)	(1,577)
At 31 March 2023	7,519,302	75,193	–	–	7,519,302	75,193
Insurance of shares *(note (1))*	12,804	128	–	–	12,804	128
Purchase of own shares *(note (2))*	(130,818)	(1,308)	–	–	(130,818)	(1,308)
At 31 March 2024	7,401,288	74,013	–	–	7,401,288	74,013

Notes:

(1) During the year ended 31 March 2024, the Company issued 12,804,000 ordinary shares (year ended 31 March 2023: 112,591,000) for the implementation of the Share Award Scheme (see note 12).

(2) During the year ended 31 March 2024, the Company repurchased its own shares on the Stock Exchange as follows:

	Number of shares repurchased *'000*	**Highest price paid per share** *HK$*	**Lowest price paid per share** *HK$*	**Aggregate price paid** *'000*
May 2023	106,872	0.80	0.74	81,931
June 2023	1,300	0.68	0.65	866
July 2023	7,050	0.60	0.56	4,083
August 2023	15,596	0.55	0.48	7,910
	130,818			94,790

As of 31 March 2024, all the repurchased shares were cancelled by the Company upon such repurchase and, accordingly the issued share capital of the Company was reduced by the nominal value of these shares. The premium paid on the repurchase was charged against the share premium account.

BUSINESS REVIEW

The principal activities of the Group

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

Summary of major operations and investment portfolios

1. Development in semiconductor and solar cell industry

1.1 Development in semiconductor and solar cell cleaning equipment business

According to current reputable market projections, the global semiconductor market is expected to reach US$673 billion in 2024 and US$1,300 billion by 2030. While the global semiconductor market saw a decline in 2023, there was only a slight fluctuation in the global sales of semiconductor manufacturing equipment by original equipment manufacturers, which reduced by 1.3% to US$106 billion in 2023. China played an important role in the past year as the semiconductor equipment market in the Chinese Mainland surged from US$28 billion to US$37 billion, pushing its global market share from 26% to 34%. On the whole, the global semiconductor industry is fueled by proliferation of generative artificial intelligence (AI), Internet of Things (IoT), along with 5G and autonomous vehicles, resulting in increasing demand for advancement chipsets and integrated circuits (ICs), thus propelling the industry forward. There is a promising opportunity for companies to invest in this sector to meet the growing demand, in light of which, the Company plans to gradually expand its investments in semiconductor equipment to capitalize on these positive trends.

The wafer cleaning equipment market is projected to be above US$6 billion in 2024 and accounts for around 6% of the global WFE market. China's domestic semiconductor cleaning equipment market holds around 30% of the global market worth more than US$1.8 billion, in which international manufacturers account for 60%–70%, while domestic enterprises are facing large space of growth due to the trend of localization and gradual breakthroughs in technology.

In addition to the semiconductor business, the Company aims to develop its solar cell. Under the carbon peaking and carbon neutrality goals, the global energy mix is undergoing transformation, leading to a sustained growth in the global photovoltaic ("**PV**") market, also supporting the long-term improvement of the market in China, despite facing short-term adjustments brought about by overcapacity. The annual global PV installation is expected to grow from 398GW in 2023 to 513GW in 2024, with the corresponding solar cell equipment market reaching US$8.4 billion in 2024, according to reputable market forecasts.

The global market size of the solar cell cleaning equipment is expected to be more than US$680 million in 2024, accounting for 8% of the whole equipment market. Given that Chinese domestic market accounts for almost 95% of the global PV market, the Company is expected to have access to a considerable share of the PV market.

The management team of the new business development is focused on creating core competencies that will benefit the semiconductor and solar cell equipment businesses. The core team members have extensive experience in top-tier semiconductor companies, with an average industry experience of more than 20 years. Most of the team members hold a master's degree or above and possess excellent technical and management expertise, practical experience in research and development, production and operation of semiconductor equipment, and an in-depth understanding of the market and customer needs. The core team quickly established a strong talent team to facilitate the long-term development of the business.

During FY2023, the Company achieved a steady increase in its revenue, with its equipment business accounting for 71.0% of the total revenue as 66.8% for FY2022. The amount of unrecognized revenue from orders on hand (VAT included) reached approximately HK$546.3 million as compared to approximately HK$285.9 million in FY2022, achieving significant growth. Meanwhile, the Company focused on technological innovation and development, with R&D expenses increasing significantly by 123.12%, from 12.10% in proportion to the revenue in FY2022 to 28.2% in FY2023.

During FY2023, the Company received purchase orders and evaluation agreements from diverse customers for 106 sets of equipment, with the value of new orders exceeding HK$510 million, including (i) single wafer cleaning equipment designed for applications in silicon wafer cleaning that removes any adhering particles and organic/inorganic impurities; (ii) solar cell wet processing equipment designed for applications in wafer surface texturing process that reduces reflection losses of the incident light; and (iii) metallization processing equipment applied to solar cell manufacturing, which, based on the principle of electrolysis, adopts electrodeposition to coat one particular metal in a layer of metals or alloys, achieving electrode molding for solar cells.

Among these orders, some were secured for the Company's semiconductor business from top-tier customers, bringing the total number of customers to a two-digit figure. In addition, the solar cell business has received repeat orders from leading customers, and the number of new customers has also exceeded a two-digit number.

These achievements underscore the Company's commitment and dedication to innovation and expansion in its semiconductor and solar cell business.

On 10 August 2023, the Company completed the shipment of the first semiconductor wet cleaning equipment of OCTOPUS platform to a top-tier DRAM customer, gradually entering the stage of mass production. The OCTOPUS wet processing platform is equipped with 16 chambers and is suitable for customers with large volume production needs and seeking maximum WPH (wafer per hour). The chamber and chemical solution supply system of the OCTOPUS platform equipment adopts a vertical plane array layout, which provides high production capacity and optimal chemical solution recycling efficiency, thereby reducing chemical consumption costs for customers. The OCTOPUS platform offers a wide range of chuck configurations for customized wafer cleaning, double-sided cleaning, bevel cleaning and etching requirements. OCTOPUS platform can be used to increase production capacity with multiple chambers in a single application or be configured for different applications on the same platform to meet varying research and development needs. The product is a piece of single wafer cleaning equipment designed for applications in silicon wafer cleaning that removes any adhering particles and organic/inorganic impurities. In addition, the Company has completed client verification of the 4-chamber single wafer cleaning equipment of the CUBE platform, and has iterated the technology, gaining mature mass production experience in backside cleaning applications. With configurable chamber counts and small footprint, the CUBE platform can be flexibly applied to 6-inch, 8-inch and 12-inch wafer production lines, providing excellent technical performance and highly cost-effective solutions.

Meanwhile, the Company has achieved positive test results for the wafer wet bench platform under development. This piece of equipment adopts a modular design and can process up to 50 wafers in a single batch. Compared to similar international manufacturers, it provides higher productivity and lower costs, offering customers cost-effective application solutions. The first demo equipment is expected to be shipped during FY2024.

In May 2023, the Company released the industry's first double-deck inline platform (NIAK4) for wet processing equipment applied to solar cell manufacturing. In FY2023, among the purchase orders and evaluation agreements from diverse customers, 37 sets were developed based on the advanced NIAK4 platform. The NIAK4 is iteratively developed and upgraded from RENA modularized NIAK platform. It is compatible with the conventional acidic cleaning process, and other processing technologies including low-temperature acid etching and high-temperature alkaline polishing processing which are based on the authorized single-side wafer etching process patent. The Double-deck Inline Platform can break through the production capacity bottleneck of inline cleaning equipment, achieving a production capacity of 1GW per unit, which is expected to reduce the customer's capital expenditure by about 25%. The products are wet processing equipment applied to solar cell manufacturing and designed for applications in wafer surface texturing process that reduces reflection losses of the incident light.

The Company's solar wet processing equipment, including bench-type and chain-type machines, has fully entered TOPCon whole-line applications.

On 23 February 2024, the Company completed the shipment of the inline copper electroplating equipment, InCellPlate Cu series, to its customer. The copper electroplating technology, which can be applied in N-type solar cell technologies, adopts base metal as interconnect material instead of precious metal silver for metallization, effectively reducing production costs. InCellPlate Cu series equipment, developed from the multi-functional inline electroplating process, adopts the horizontal inline electroplating method, one of the three mainstream electroplating methods (i.e., vertical electroplating, horizontal inline electroplating, and insert electroplating). The height and width of the grid lines are controllable. By increasing the aspect ratio of the grid lines, it can effectively reduce shading losses, minimize the contact resistance between the electrode and the PN junction, and effectively improve the conversion efficiency of solar cells.

In terms of technology, the Company has always been driven by innovation to lead technological changes, achieving the consecutive launch of 3 new equipment platforms in two years, all of which have received positive acceptance results and customer recognition. As of the date of this final results announcement, the Company's R&D personnel totaled 114, accounting for approximately 26% of the total staff. Meanwhile, as of the date of this final results announcement, the Company has applied for 76 patents, including 34 invention patents, 34 utility model patents, and 8 design patents. Among them, 32 patents have been authorized, including 10 invention patents, 21 utility model patents and 1 design patent.

In terms of production and operation, the Company achieved the milestone of shipping cumulatively a total of 100 sets of equipment in October 2023. As of the date of this final results announcement, the Company has successfully fulfilled its purchase orders for semiconductor and solar cell cleaning equipment by timely delivery, shipping a total of 124 sets of semiconductor and solar cell cleaning equipment. In FY2023, the Company achieved full delivery within 90 days after receiving orders for mass production projects, and successfully obtained the ISO9000 quality system certification, laying a solid foundation for the continuous delivery of the equipment and the continuous satisfaction of customer needs in the future.

In light of the Company's outstanding performance in the semiconductor equipment industry, the Company is selected as a collaborating unit for the "Typical Cases of China's Strategic Emerging Industries" of the Macroeconomic Department of the National Development and Reform Commission, and a standard-setting unit for the "Testing Methods for Wet Cleaning Equipment Used in Semiconductor Manufacturing" and "Remote Operation and Maintenance Status Monitoring of Integrated Circuit Packaging Equipment" of the National Standardization Administration of China. During FY2023, the CUBE equipment won the Best Application Award in China's Semiconductor Market 2023-2024, and the OCTOPUS equipment won the Innovative Product Award in China's Semiconductor Market 2023-2024.

The Company's mission is to "provide high-productivity solutions for the semiconductor and solar cell industries through technological innovation", and its vision is to "achieve leading technical performance and optimal productivity among comparable products, become a multi-product company, operate globally, and achieve appropriate financial returns". Going forward, the Company will continue to make its mark on this new business in an expeditious manner with actions including, but not limited to the following:

- Continuously conducting technological R&D and product iteration to create highly-technical (e.g. high-temperature sulfuric acid products) and high-productivity products. Iterating existing equipments to achieve smooth delivery of new machines, while actively promoting the mass production of equipment;

- Strengthening operational management to further optimize business efficiency. Improving the management of the entire chain from R&D to sales, strengthening business operation systems and execution, and optimizing financial structure;

- Continuously making market breakthroughs and improving industry status. The semiconductor business focuses on increasing market share in wafer thinning (BGBM) segment, and expanding backside cleaning, high temperature sulfuric acid cleaning, and front and backside cleaning applications for 12-inch wafer production lines. Continuously breaking through markets to expand market share in leading customers; the solar cell business focuses on key customer resources and expands overseas markets with leading customers; and

- Integrating industry resources and expanding business boundaries. Relying on the Company's platform-based development model, actively exploring potential quality resources, and jointly promoting enterprise development through mergers, acquisitions, and other models.

1.2 Development in LPCVD equipment business

The LPCVD equipment market is expected to account for 12% of the global WFE market, or approximately US$13 billion in 2024. The Chinese domestic market dominates about 30% of the global market, representing about US$4 billion. The LPCVD equipment, which is the Company's initial product in LPCVD equipment, is critical in thin film deposition in semiconductor equipment manufacturing. In 2023, thin film deposition equipment accounted for 18% of the total market share of semiconductor equipment, and its global market size exceeded US$19 billion. The LPCVD equipment, which is the most widely adopted thin film deposition equipment, accounts for 66% of the total market share of the thin film deposition equipment, representing around 12% of the total market share of semiconductor equipment, and its global market size exceeded US$13 billion in 2023.

According to market research institutions, the localization rate of the LPCVD equipment in 2023 was low, while the barrier to entry in the LPCVD equipment market was high, and the market was highly concentrated, with the top 3 players taking up 70% of the global market share.

Based on the above, the Company is of the view that the LPCVD equipment business is endowed with a robust driving force for domestic substitution and a broad market space. As planned, RMB140 million is initially committed to the launch of the Company's LPCVD equipment business. The scope of the planned LPCVD products includes several types of advanced LPCVD equipment for manufacturing 12-inch wafer and the Company is expected to enter commercial production stage for those LPCVD products in 2024.

In FY2023, Xinkai fully completed the construction and decoration of its state-of-the-art manufacturing infrastructure and started the production of the advanced LPCVD equipment. Additionally, Xinkai has successfully completed the design of 3 sets of equipment, further enhancing its capabilities and capacity. Finally, Xinkai has signed partnership agreements with valued customers of the industry and has been collaborating with them on exciting new development projects. These achievements demonstrate the ongoing commitment to innovation, quality, and customer satisfaction.

Currently, the testing of the ALD-SiN equipment developed by Xinkai is proceeding well, and the first shipment of the equipment is expected to happen in FY2024.

The Board considers that this diversification and expansion plan will allow the Company to expand its business portfolio, penetrating into the rapidly developing areas of equipment manufacturing for semiconductor and solar cells, turning opportunity into business, diversifying and broadening its income stream and revenue base, which will potentially lead to the enhancement of its financial performance by cooperating and leveraging the expertise and networks of its team members. The Board considers that the new business development is in the best interests of the Company and its shareholders (the "**Shareholders**") as a whole.

The current business development in the semiconductor and solar cell industry represents another milestone initiative of the Company in developing this promising line of investment. The Company is in the process of identifying and evaluating good investment opportunities in this industry segment. The Company will issue further announcements as and when appropriate in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") for any significant investment and business development. For details of development of solar cell business for semiconductor and solar cell industry, please refer to the announcements of the Company dated 1 December 2021, 28 January 2022, 4 February 2022, 19 April 2022, 30 May 2022, 2 June 2022, 13 June 2022, 18 August 2022, 12 October 2022, 15 November 2022, 3 February 2023, 29 May 2023, 10 August 2023, 22 August 2023, 12 September 2023, 30 October 2023, 17 January 2024, 26 February 2024 and 2 May 2024 published on the websites of the Company (www.pdt-techs.com) and The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") (www.hkexnews.hk).

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

2.1 Operations in the upstream crude oil assets

The Company made an acquisition of an upstream crude oil asset in 2016 at favourable costs and completed the investment in another upstream shale oil project in 2017.

In the first quarter of 2023, international oil prices declined due to the deteriorating economic expectations, financial turmoil in European and American financial institutions, and the interest rate hikes in the United States (the "**US**"). By the second quarter, the resolution of financial crisis in Europe and the US, the OPEC's production cut, and a tightening oil supply led to a rebound in oil prices. The third quarter saw a further rise in prices, driven by mounting geopolitical risks in the Middle East and other regions, as well as an unexpected production cut by Saudi Arabia. In the fourth quarter, international oil prices declined again due to weakened global economic expectations, OPEC's production cut falling short of expectations, and the remote prospect of the US interest rate cuts. Despite these fluctuations, it is anticipated that OPEC+ will continue to adopt the strategy of reducing production to maintain prices, and considering external factors such as geopolitical crises, the oil price is still expected to remain high in 2024. Although the oil and gas industry is experiencing a continuous recovery, we should also be aware of the impact of global energy industry restructuring, the transition to low-carbon and new energy, and other factors on oil prices. The Company will continue to closely monitor the market, strictly control risks, and strive to maintain and increase the value of assets both financially and operationally.

2.1.1 Hongbo Mining

Hongbo Mining, an upstream oil and gas portfolio company, is the Company's wholly-owned subsidiary and is engaged in the exploration, development, production and sale of crude oil in the PRC. The Company completed the acquisition of Hongbo Mining in July 2016 at the consideration of RMB558.88 million (equivalent to approximately HK$652 million).

Under the exploration and production cooperation contract entered into between Hongbo Mining and Yanchang, Yanchang (as the mineral right owner) and Hongbo Mining (as the operator) cooperate to explore for crude oil in Block 212 and Block 378 which cover a combined region of 406 km^2 in Inner Mongolia; and Hongbo Mining and Yanchang are entitled to 80% and 20% of the sale proceeds (net of any sales related taxes), respectively. Block 212 obtained from the Ministry of Land and Resources of the People's Republic of China a 15-year valid production permit covering Unit 2, Unit 19 and other areas in Block 212 in May 2017 and in July 2022. Each of Block 212 and Block 378 has been subject to an exploration permit which is renewable for a term of five years after expiration. The current exploration permit for Block 212 will expire on 3 April 2027, and the current exploration permit for Block 378 will expire on 20 February 2026.

During FY2023, Hongbo Mining has carried out maintenance work on existing production wells to ensure stable oil production, and has successfully drilled and completed 4 new wells. As of the date of this final results announcement, all the production wells, reserves and resources estimated by Hongbo Mining were located in Block 212.

As a result, Hongbo Mining's oil production volume slightly increased by approximately 0.2% to 306,154 barrels; its gross and net oil sales volume slightly increased by approximately 0.3% to 306,715 barrels and 245,372 barrels, respectively. As the average crude oil price decreased, the gross revenue (equivalent to the net revenue from sale of crude oil plus the 20% crude oil entitlement for Yanchang) and net revenue from sales of crude oil decreased by approximately 16.3% to approximately HK$188.3 million and HK$157.7 million, respectively, compared to those for FY2022.

Meanwhile, the drilling of new production wells caused the increase of depletion and as a result, the average unit production cost increased by HK$18 per barrel, or approximately 5.3%, from HK$345 per barrel (equivalent to US$44 per barrel) for FY2022 to HK$363 per barrel (equivalent to US$46.4 per barrel) for FY2023. Hongbo Mining increased the maintenance work on existing production wells during FY2023 and as a result, the average unit production cost before depreciation and amortization increased by HK$15 per barrel, or approximately 11.0%, from HK$136 per barrel (equivalent to US$17.3 per barrel) for FY2022 to HK$151 per barrel (equivalent to US$19.3 per barrel) for FY2023 accordingly.

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

	Year ended 31 March	
	2024	2023
Average daily gross production volume (barrels)	**850**	849
Average daily gross sales volume (barrels)	**852**	849
Average unit production cost before depreciation and amortisation (HK$ per barrel)	**151**	136
Average unit production cost (HK$ per barrel)	**363**	345
Average unit selling price (HK$ per barrel)	**617**	730

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

	Summary of expenditures incurred for the year ended 31 March			
	2024		2023	
	Number	**Cost** *(HK$'000)*	Number	Cost *(HK$'000)*
Wells drilled during the period				
Oil producers	**4**	**16,781**	8	31,289
Fracturing workover	**4**	**4,046**	4	2,788
Geological and geophysical costs	**–**	**764**	–	1,029

Based on the oil and gas reserves as at 31 March 2024 as estimated by independent technical consultants, the net 1P reserves of Hongbo Mining were 4.19 million barrels at stock tank conditions ("**MMstb**") and the net 2P reserves were 8.21 MMstb. Due to the challenges of the macro-economy such as highly volatile prices of oil and gas, the net 1P and 2P reserves decreased by 11.4% and 8.7%, respectively, as compared with those as at 31 March 2023.

The below are the summary and review of the reserves and resources of Hongbo Mining as at 31 March 2024 and 31 March 2023, as conducted by the independent technical consultants, Gaffney, Cline & Associates ("**GCA**"):

	As at 31 March 2024		As at 31 March 2023	
	Gross	**Net**	Gross	Net
	(MMstb)	***(MMstb)***	*(MMstb)*	*(MMstb)*
Proved (1P)	**5.24**	**4.19**	5.92	4.73
Proved + Probable (2P)	**10.27**	**8.21**	11.24	8.99
Proved + Probable + Possible (3P)	**13.72**	**10.98**	14.92	11.94
Contingent resources (1C)	**3.6**	**2.88**	3.64	2.91
Contingent resources (2C)	**8.11**	**6.49**	7.76	6.21
Contingent resources (3C)	**12.81**	**10.25**	12.2	9.76
Prospective resources	**9.7**	**7.76**	9.7	7.76

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

2.2 *Business updates regarding LNG business along the value chain*

The Company, through its subsidiaries, has also made other investments in energy related business portfolio and business model in order to capture the energy market opportunities and dynamics.

2.2.1 JUSDA Energy Technology (Shanghai) Co. Ltd.* (準時達能源科技(上海)有限公司) ("**JUSDA Energy**")

On 25 September 2018, the Company, through one of its wholly-owned subsidiaries, entered into an agreement for a joint venture (the "**JV Agreement**") with JUSDA Supply Chain Management International CO., LTD.* (準時達國際供應鏈管理有限公司) ("**JUSDA**") and the management team (the "**Management**"), in relation to the formation of

JUSDA Energy, to be engaged in LNG logistics services. The Company made contributions of HK$43,937,000 and HK$17,462,200 to JUSDA Energy pursuant to the JV Agreement and the completion of such investments took place on 21 December 2018 and 8 January 2020 respectively. The Company holds 39% equity interest upon completion of all capital contribution in JUSDA Energy.

Despite a large number of preparatory works since its establishment, including necessary fixed assets investment such as wharf renovation, yard construction, cranes and tank containers, the COVID-19 pandemic and market fluctuations have impacted the progress of JUSDA Energy's domestic Zhoushan project. It became clear that the project could not be put into operation in the short term. In light of these challenges, the board of directors of JUSDA Energy made the decision to cease business and dispose of assets in August 2022.

During FY2023, JUSDA Energy has signed a three-year lease agreement with customers for its tank container assets, which is a "take or pay" ("照付不議") contract model to avoid further impairment or discount of the assets, and JUSDA Energy reserves the right to sell its tanks at any time during the lease period when meet a potential buyer. JUSDA Energy has completed the disposal of another core asset, the storage yard, at a consideration of RMB23.10 million.

For details of the above transactions, please refer to the Company's voluntary announcements dated 17 July 2017, 31 July 2017, 25 September 2018, 24 December 2018 and 27 May 2021 published on the websites of the Company (www.pdt-techs.com) and the Stock Exchange (www.hkexnews.hk).

3. *Business updates in mobility services business*

3.1 Weipin

On 15 November 2019, Triple Talents Limited ("**Triple Talents**"), a wholly-owned subsidiary of the Company, entered into a series of agreements with Weipin and its affiliates, pursuant to which Triple Talents has agreed to subscribe for certain shares in Weipin. Upon completion of this transaction with a total investment of approximately RMB200 million, the Company effectively holds 35.5% of the equity share in Weipin. Weipin is the holding company of the mobility services platform business. For more details of the Company's investment in Weipin, please refer to the voluntary announcement of the Company dated 25 November 2019 published on the websites of the Company (www.pdt-techs.com) and the Stock Exchange (www.hkexnews.hk).

Prior to 21 June 2021, the Company controlled the majority voting right of Weipin's board of directors, making Weipin a subsidiary. On 21 June 2021, the shareholders of Weipin, including the Company, agreed to enter into an amended shareholders' agreement (the "**Agreement**") to, among other things, make adjustments to the structure of the board of Weipin in order to provide the management of Weipin with more flexibility in terms of decision-making over its operations. Pursuant to the Agreement, the Company agrees to lower its number of designated directors from 3 to 2 directors in the board of Weipin (the "**Adjustment**"). After the Adjustment, the total number of board members in Weipin has decreased from a total of 5 members to 4 members. Thus, the Company no longer has the majority voting right of the board of directors in Weipin and any decision-making power over the management and business activities of Weipin. The shareholding percentage held by the Company in Weipin remains unchanged at 35.5%, and Weipin was reclassified as an investment portfolio of the Company. Under the relevant regulatory requirements and accounting standards, the financial results of Weipin have ceased to be consolidated into the Company's financial statements, and the investment of Weipin is accounted as interest in an associate under the application of the equity method accounting with effect from 21 June 2021. For details, please refer to the announcement of the Company dated 21 June 2021 published on the websites of the Company (www.pdt-techs.com) and the Stock Exchange (www.hkexnews.hk).

Weipin, through its operation subsidiaries (the "**Mobility OPCOs**"), is committed to creating a fast and standardized mobility services system, connecting all participants in the mobility market, tapping into the market flow through the traffic platform in an aggregation mode, and generating synergies by optimizing vehicle energy costs. The aggregation mode has stabilized at 7 million orders per day, representing 25% to 30% of total market.

The Mobility OPCOs have signed cooperation agreements with "Didi", "Huaxiaozhu", "Baidu" and "Tencent". "Huaxiaozhu", Didi's standalone ride-hailing service, is growing rapidly with aggregation mode and the Mobility OPCO's daily order has recovered to 55,000 through its cooperation with "Huaxiaozhu".

4. *Use of proceeds from the Foxconn Subscription*

On 22 January 2018, the Company received an aggregate subscription price of HK$1,485 million from Foxconn Technology Pte. Ltd., High Tempo International Limited, World Trade Trading Limited, Q-Run Holdings Limited, and Q-Run Far East Corporation (collectively known as the "**Foxconn Subscribers**") and issued to each of the Foxconn Subscribers 297,000,000 subscription shares at the subscription price of HK$1.00 per subscription share totalling 1,485,000,000 subscription shares in accordance with the terms and conditions of the subscription agreement (the "**Foxconn Subscription**").

For details of the Foxconn Subscription, please refer to the announcements of Company dated 13 December 2017 and 22 January 2018 and the circular of the Company dated 23 December 2017 published on the websites of the Company (www.pdt-techs.com) and the Stock Exchange (www.hkexnews.hk).

The gross proceeds from the Foxconn Subscription are HK$1,485 million. The net proceeds from the Foxconn Subscription (the "**Net Proceeds**") (after deducting the expenses incurred in the Foxconn Subscription) are approximately HK$1,483 million.

On 24 June 2020, the Board resolved to change the intended use of unutilized Net Proceeds by allocating the unutilized Net Proceeds of HK$200 million from investment or acquisition of targets in the natural gas industry in China and North America to general working capital as the Company required funds for general working capital purposes.

The following table summarizes the intended use of proceeds and the actual use of proceeds as at 31 March 2024.

	Intended use of Net Proceeds set out in the Circular	**Intended use of Net Proceeds (after the change as announced on 24 June 2020)**	**Actual use of Net Proceeds as at 31 March 2024**	**Unutilized Net Proceeds as at 31 March 2024**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Investment or acquisition of targets in natural gas industry in China and in North America	1,100,000	900,000	399,000	501,000
Investment in up-stream shale gas and/or shale oil assets, or projects overseas	300,000	300,000	79,000	221,000
Other investments for future development	83,000	83,000	83,000	–
General working capital	–	200,000	191,000	9,000

As at 31 March 2024, an aggregate amount of HK$752 million had been utilized pursuant to the revised intended use, and the unutilized Net Proceeds of HK$731 million are expected to be utilized in accordance with the revised intended use by 31 December 2024. The expected timeline for the revised intended use of unutilized Net Proceeds, which is subject to future adjustments, if required, is based on the best estimation of the Company taking into account, among others, the prevailing and future market conditions and business developments and need.

OUTLOOK

The Company has evaluated and considered that the application of semiconductor and solar cell will be a major global development trend. The business in cleaning equipment for semiconductor and solar cell which focuses on technology and solutions providing high productivity to customers is a key area where the Company now puts efforts and resources.

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

The solar cell industry has been a key strategic industry being developed in China. 2024 marks a period of adjustment for the industry, which is expected to grow in the long term. The development of the solar cell industry is driven by the LCOE and the Incident-Photon-to-Electron Conversion Efficiency (IPCE). TOPCon technology with higher conversion efficiency and better economic benefits is expected to become the mainstream of the industry. In addition, the application of copper plating is a promising cost-cutting measure, but the market landscape has not yet been established. At the same time, equipment vendors are required to focus on improving production efficiency and capacity of the equipment and reducing usage and maintenance costs. The opportunities for the Company in the solar cell equipment sector lie in, on the one hand, continued market expansion and innovation along with the expansion of capacity in existing technology process routes such as TOPCon, and on the other hand, technology reserve in a prospective manner for new technology process routes in the future.

The Company has received purchase orders from several customers for a total of 106 sets of semiconductor and solar cell equipment in FY2023. In the meanwhile, the Company has successfully developed and rolled out copper plating equipment for copper metallization as an alternative to silver electric contacts. Such equipment is expected to account for approximately US$1 billion of the PV equipment market as it provides a cost-effective alternative processing solution. In addition, the Company believes that the LPCVD equipment business will provide a strong impetus for domestic substitution, as well as a broad market space. The Company will carry out the LPCVD equipment business as planned and has initially invested RMB140 million into such business.

It is the Company's long term vision to become a leader in this market segment, aiming at building a capacity which will allow the Group to obtain a significant market share of cleaning equipment in the Chinese Mainland in the short to medium term and significant market share of the global cleaning equipment and LPCVD equipment in the next decade. The objectives of the Company in the short to medium term include: 1. consolidating the existing business and expanding the market share in the PV market; 2. focusing on developing in cleaning market for semiconductor to gain a foothold; and 3. launching LPCVD equipment with good technical performance in the middle term.

In December 2023, the International Energy Agency (the "**IEA**") and U.S. Energy Information Administration (the "**EIA**") revised down their respective estimates of global oil demand in 2023 by 300,000 barrels per day and 40,000 barrels per day, and both lowered their forecasts for global oil demand in 2024 by 100,000 barrels per day. After the adjustments, the IEA, EIA, and OPEC's expected growth rates for global oil demand in 2024 are 1.1 million barrels per day, 1.34 million barrels per day, and 2.25 million barrels per day. In 2024, while oil production in non-OPEC+ countries such as the US, Brazil, and Guyana is expected to increase, OPEC+ led by Saudi Arabia will continue to pursue a policy of reducing production to maintain prices. Along with external factors such as geopolitical crises, oil prices are expected to remain high in 2024. Despite the optimistic outlook, the Company plans to further mitigate risks and extreme events through the use of hedging tools for upstream assets. Additionally, the Company will focus on maintaining asset liquidity and increasing production to take advantage of short-term high oil prices.

FINANCIAL RESULTS REVIEW

Revenue

The revenue represents:

Sales of equipment and services rendered

The sales of equipment represented sales of cleaning equipment applied in solar and semiconductor manufacturing and the spare parts and services rendered related to the equipment. It increased by approximately HK$6.8 million, or approximately 1.8%, from approximately HK$379.2 million for FY2022 to approximately HK$386.0 million for FY2023.

Sales of crude oil

The sales of crude oil represented the crude oil net sales from Hongbo Mining. It decreased by approximately HK$30.7 million, or approximately 16.3%, from approximately HK$188.3 million in FY2022 to approximately HK$157.7 million in FY2023.

The decrease was mainly due to the decrease in average unit selling prices. Hongbo Mining's crude oil is priced mainly with reference to Brent Crude oil prices. The average Brent Crude oil price in FY2023 decreased to approximately HK$650 per barrel as compared to approximately HK$748 per barrel in FY2022. The average unit selling price of Hongbo Mining's crude oil decreased to approximately HK$617 per barrel in FY2023 from HK$730 per barrel in FY2022, which was consistent with the trend of global oil prices. On the other hand, Hongbo Mining's net sales volume slightly increased to 245,732 barrels in FY2023 from 244,542 barrels in FY2022, which was mainly due to new wells drilled in FY2023. For further details on the increase of the production volume, please refer to "Business Review — Hongbo Mining".

Cost of sales

Cost of sales represents:

Cost of sales of equipment and services rendered

The cost of sales of equipment increased by approximately HK$6.3 million, or approximately 1.8%, from approximately HK$343.9 million for FY2022 to approximately HK$350.2 million for FY2023.

Cost of sales of crude oil

The cost of sales of crude oil from Hongbo Mining increased by approximately HK$3.5 million, or approximately 3.2%, from approximately HK$107.7 million in FY2022 to approximately HK$111.2 million in FY2023. The increase was mainly due to the increase of the depreciation and amortisation caused by the new wells drilled in FY2023.

Gross profit

The gross profit decreased by approximately HK$33.7 million, or approximately 29.1%, from approximately HK$115.9 million in FY2022 to approximately HK$82.2 million in FY2023. The decrease was mainly due to the decrease of the margin from sales of crude oil following the decline in oil price in FY2023.

Investment loss

Investment loss mainly includes the following:

(1) Losses from non-equipment business including a loss from Weipin investment of approximately HK$27.6 million; a loss from fund investment of approximately HK$4.0 million; a loss from JUSDA investment of approximately HK$10.1 million; a net fair value gain from other investment and dividend income of approximately HK$2.8 million; and

(2) The share of losses of an associate engaging in semiconductor ASHER equipment and EPI equipment of approximately HK$5.3 million.

Administrative expenses

The administrative expenses increased by approximately HK$38.5 million, or approximately 25.9%, from approximately HK$148.2 million in FY2022 to approximately HK$186.7 million in FY2023. The increase was mainly due to the rapid development and expansion of the Company's business in semiconductor and solar industry in FY2023, which accordingly led to the increase of the corresponding staff costs of approximately HK$29.6 million. It also includes the amortization of intangible assets recognized from the acquisition of the target companies carrying out solar business of approximately HK$20.3 million since 18 August 2022.

R&D expenses

The R&D expenses increased significantly by approximately HK$84.6 million, or approximately 123.1% from approximately HK$68.7 million in FY2022 to approximately HK$153.3 million in FY2023. The increase was mainly related to the rapid development and expansion of the Company's business in semiconductor and solar industry. The R&D expenses includes staff costs, share-based compensation to its employees recognised as R&D expenses and expenses incurred for R&D for 6 to 12 inches single wafer cleaning equipment and high WPH solar wet processing equipment, which shall become the major products of the Company.

Taxes other than income tax

Taxes other than income tax decreased by approximately HK$11.0 million, or approximately 33.1%, from approximately HK$33.2 million in FY2022 to approximately HK$22.2 million in FY2023, which was mainly due to the decrease in petroleum special profit levy and resources tax levied on the sale of crude oil attributable to the revenue decrease of Hongbo Mining.

Exploration expenses, including dry holes

The exploration expenses decreased by approximately HK$0.2 million, or approximately 25.8%, from approximately HK$1.0 million in FY2022 to approximately HK$0.8 million in FY2023, which was mainly due to the decrease of exploration activities.

Impairment loss on trade and other receivables

The impairment loss on trade and other receivables decreased by approximately HK$6.5 million, or approximately 84.2%, from approximately HK$7.7 million in FY2022 to approximately HK$1.2 million in FY2023, which was mainly due to the provision of Hongbo Mining's long-aged trade and other receivables in FY2022.

Net finance cost

The net finance cost increased by approximately HK$2.3 million, or approximately 92.1%, from approximately HK$2.5 million in FY2022 to approximately HK$4.8 million in FY2023 due to the foreign exchange loss as a result of the depreciation of RMB against HK$.

Loss before taxation

Loss before taxation increased by approximately HK$130.5 million from a loss of approximately HK$218.9 million in FY2022 to a loss of approximately HK$349.4 million in FY2023, which was primarily due to the cumulative effects of factors as discussed above in this section.

Income tax expense

Income tax expense increased by approximately HK$2.5 million, or approximately 23.8% from approximately HK$10.3 million in FY2022 to approximately HK$12.8 million in FY2023. It mainly includes (1) current tax expense of HK$17.7 million mainly due to the increase of crude oil price which led to Hongbo Mining making relevant tax payment to the authority and tax filling differences in FY2023; and (2) deferred tax credit of HK$4.9 million mainly due to other changes arising from the temporary differences of the provision for depreciation of oil and gas properties of Hongbo Mining.

Loss for the year

Loss for the year increased significantly by approximately HK$132.9 million, or approximately 58.0% from approximately HK$229.2 million in FY2022 to approximately HK$362.1 million in FY2023, which was primarily due to the cumulative effects of factors as discussed above in this section.

EBITDA

The management of the Company prepared a reconciliation of EBITDA to profit/loss before taxation, which is the most directly comparable financial performance measures calculated and presented in accordance with financial reporting standards and interpretations issued by the Hong Kong Institute of Certified Public Accountants. EBITDA refers to earnings before interest expenses, income tax, depreciation and amortisation.

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

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

	Year ended 31 March	
	2024	2023
	HK$'000	*HK$'000*
Loss before taxation	**349,361**	(218,874)
Add: Interest expenses	**6,360**	1,749
Add: Depreciation and amortisation	**101,430**	89,343
EBITDA	**(241,571)**	(127,782)

The EBITDA decreased from a loss of HK$127.8 million in FY2022 to a loss of HK$241.6 million in FY2023. The significant decrease of EBITDA was primarily attributable to:

(1) Increase of the administrative, R&D expenses of approximately HK$123.0 million in relation to the rapid development and expansion of the Company's business in semiconductor and solar industry, including share-based compensation expenses and the R&D for 6 to 12 inches single wafer cleaning equipment, high WPH (Wafer Per Hour) solar wet processing equipment and copper plating equipment;

(2) The decrease of the gross profit contribution from crude oil sales of approximately HK$34.2 million from Hongbo Mining's crude oil sales business; and

(3) The decrease in investment income of approximately HK$30.2 million from fair value changes in investment projects and the equity pick-up in associates, which are in relation to non-equipment business.

Following a recently completed fundraising of RMB70 million from third-party investors, the pre-money equity valuation of one associate of the Company engaging in the business of semiconductor ASHER equipment and EPI equipment increased to RMB350 million compared with that of RMB50 million when the Company made the investment as one of the founding shareholders. However, under the prevailing accounting standards, the Company recognized the net loss amounting to approximately HK$5.3 million in such associate rather than recognizing the fair value gain of approximately HK$100.9 million.

SEGMENT INFORMATION

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

- Semiconductor and solar cell: this segment operates in research and development, manufacturing and sales of advanced processing equipment for solar cell and semiconductor industries.

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

	Semiconductor and solar cell Year ended 31 March		**Oil and gas and others Year ended 31 March**		**Total Year ended 31 March**	
	2024	2023	**2024**	2023	**2024**	2023
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Revenue from external customers *(note)*	**385,975**	379,166	**157,663**	188,345	**543,638**	567,511
Investment loss	**(5,305)**	–	**(38,920)**	(13,981)	**(44,225)**	(13,981)
Reportable segment loss (EBITDA)	**(233,918)**	(103,332)	**(7,653)**	(24,425)	**(241,571)**	(127,757)
Depreciation and amortisation	**(32,318)**	(21,511)	**(69,112)**	(67,832)	**(101,430)**	(89,343)
Interest income	**333**	163	**18,151**	7,606	**18,484**	7,769
Interest expense	**(6,020)**	(871)	**(340)**	(903)	**(6,360)**	(1,774)
Impairment loss on trade and other receivables	**(1,218)**	(761)	**–**	(6,938)	**(1,218)**	(7,699)
Reportable segment assets	**1,139,406**	1,172,371	**1,980,276**	2,209,297	**3,119,682**	3,381,668
(including interest in associates)	**13,946**	19,655	**193,347**	233,166	**207,293**	252,821
Additions to non-current segment assets during the year	**8,973**	188,402	**14,011**	34,594	**22,984**	222,996
Reportable segment liabilities	**(1,011,432)**	(897,926)	**(342,933)**	(269,847)	**(1,354,365)**	(1,167,773)

The measure used for reporting segment loss is EBITDA.

LIQUIDITY AND FINANCIAL RESOURCES

The Group finances their operations primarily through a combination of bank and other borrowings and proceeds from the Foxconn Subscription. For further details of use of proceeds from the Foxconn Subscription, please refer to the section headed "Business Review — Use of proceeds from the Foxconn Subscription" in this final results announcement.

The cash and cash equivalents are mostly denominated in US$, HK$ and RMB. As at 31 March 2024, the Group had unpledged cash and bank deposits of HK$531.4 million (31 March 2023: HK$474.8 million).

As at 31 March 2024, the Group had restricted cash of HK$199.2 million, which was time deposit that pledged on outstanding loans (31 March 2023: HK$269.6 million, which was the funds obtained from the sale of JOVO shares in the A-share market in the process of FDI (Foreign Direct Investment)).

As at 31 March 2024, the Group had outstanding loans of HK$261.1 million (31 March 2023: HK$64.0 million).

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

As at 31 March 2024, the gearing ratio (ratio of the sum of total bank and other borrowings to the total assets) was approximately 10.0% (31 March 2023: 2.1%).

MAJOR RISK MANAGEMENT

The market risk exposures of the Company in its operations primarily consist of oil price risk, currency risk, liquidity risk, interest rate risk, credit risk, equity price risk and driver management risk.

Oil price risk

The principal activities of the Company's subsidiaries and invested portfolios in the "oil and gas and others" segment consist of upstream oil and gas business and LNG logistics services. Hongbo Mining, a wholly-owned subsidiary of the Company, is engaged in petroleum related activities in the PRC. Prices of crude oil are affected by a wide range of global and domestic political, economic and military factors which are beyond the control of the Company. A decrease in such prices could adversely affect the financial results and financial position of the Group.

In FY2023, the Company had not purchased any hedging instruments for part of the production of Hongbo Mining. The Group maintains continuous assessment of oil price risk and takes appropriate measures as necessary to safeguard the interests of its Shareholders. As at 31 March 2024, the Company did not hold any hedging instruments for oil production.

Currency risk

The Group is exposed to currency risk primarily through overseas investment which gives rise to other receivables and cash balances that are denominated in a foreign currency, i.e., a currency other than the functional currency of the operations to which the transactions relate. The currencies giving rise to this risk are primarily HK$, US$ and RMB.

The Group currently does not engage in hedging activities designed or intended to manage foreign exchange rate risk. The Group will continue to monitor foreign exchange changes to best preserve the cash value.

Liquidity risk

The Company and its individual operating entities are responsible for their own cash management, including the short-term investment of cash surpluses and the raising of loans to cover expected cash demands, subject to approval by the parent company's board when the borrowings exceed certain predetermined levels of authority. The policy of the Group is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and readily realizable marketable securities and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

Interest rate risk

The interest rate risk of the Group arises primarily from interest-bearing borrowings. The Group regularly reviews and monitors the mix of fixed and variable rate bank and other borrowings in order to manage the interest rate risks.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk is primarily attributable to cash at bank and trade and other receivables. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

The Group's credit risk arising from cash at bank is limited because the counterparties are state-owned/controlled or listed bank and well-known financial institutions which the Directors assessed the credit risk to be insignificant.

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

The Group constantly evaluates credit risk for trade receivables by taking into account their past history of making payments when due and current ability to pay, and the expected credit loss for trade receivables amounting to HK$1.2 million (for the year ended 31 March 2023: HK$7.7 million) recognized was mainly from a customer of PDT Technologies.

Equity price risk

The Group was exposed to equity price changes arising from listed securities classified as financial assets at FVTPL. Decisions to buy or sell trading securities were based on daily monitoring of the performance of individual securities compared to that of the index and other industry indicators, as well as the Group's liquidity needs.

As at 31 March 2024, the Group did not hold any shares as listed securities.

Driver management risk in the mobility services platform

Maintaining a team of competitive drivers is a key to the success of the mobility services platform. If Weipin is unable to attract or maintain a critical mass of drivers, its business will become less appealing to business partners, and the financial results of the Company would be adversely affected.

To continue to retain and attract drivers to Weipin's platform, Weipin will increase the drivers' earnings by increasing the fixed fees payable to drivers for a given trip and its incentives to drivers. Further, Weipin has indicated that it will continue to provide more resources and access to larger driver pools in the future.

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

SIGNIFICANT INVESTMENTS

As at 31 March 2024, there was no investment held by the Group the value of which was more than 5% of the total assets of the Group.

CHARGES ON ASSETS OF THE GROUP

As at 31 March 2024, the Group had outstanding pledge on time deposit of HK$199.2 million (31 March 2023: HK$84.7 million, which was land, buildings, machinery and equipment of Hongbo Mining as the security to secure financing facilities granted to Hongbo Mining).

CONTINGENT LIABILITIES

So far as known to the Directors, as at 31 March 2024, there had been no litigation, arbitration or claim of material importance in which the Group was engaged or pending or which as threatened against the Group.

CAPITAL COMMITMENTS

As at 31 March 2024, the Group had the capital commitment of HK$39.3 million (31 March 2023: HK$3.9 million) contracted but not provided for the acquisition of property, plant and equipment.

EMPLOYEES

As at 31 March 2024, the Group had 435 (31 March 2023: 360) employees in Hong Kong and the PRC. In FY2023, the total staff costs (including the Directors' emoluments and equity settled share-based compensation amounted to approximately HK$72.8 million) amounted to HK$268.1 million (FY2022: HK$167.0 million). Employees' remuneration package was reviewed periodically and determined with reference to the performance of the individual and the prevailing market practices. Employees' remuneration package includes basic salary, year-end bonus, awarded shares, medical and contributory provident fund.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Group did not have any other future plans for material investments or capital assets as at 31 March 2024. The Company will continue to seek new investment opportunities to broaden its revenue base and profit potential and maximise shareholders' value in the long term.

AUDIT COMMITTEE AND REVIEW OF THE RESULTS

The audit committee of the Company (the "**Audit Committee**") was established with written terms of reference in compliance with Rule 3.21 of the Listing Rules. The Audit Committee comprises two independent non-executive Directors and a non-executive Director who possess the appropriate business and financial experience and skills to understand financial statements. As at the date of this final results announcement, Mr. Chau Shing Yim David is the chairman of the Audit Committee and the other two members are Mr. Cao Xiaohui and Mr. Wang Guoping. The Audit Committee has adopted terms of references which are in line with those set out in Part 2 of Appendix C1 (Corporate Governance Code) to the Listing Rules (the "**CG Code**").

The Audit Committee has reviewed with management of the Company the accounting principles and practices adopted by the Company and discussed the risk management and internal controls and financial reporting matters, including a review of the consolidated financial statements and the final results of the Group for FY2023 with no disagreement on the accounting treatment adopted by the Company.

FINAL DIVIDEND

The Directors do not recommend the payment of a final dividend for FY2023 (FY2022: Nil).

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

From May 2023 to August 2023, the Company repurchased a total of 130,818,000 ordinary shares of the Company on the Stock Exchange, with an aggregate consideration paid amounting to HK$94,789,650, among which 130,680,000 shares and 138,000 shares were cancelled on 27 September 2023 and 25 October 2023, respectively, and the issued share capital of the Company was reduced accordingly. The repurchase was effected by the Board for the enhancement of Shareholders' value in the long term. Details of the shares repurchased are as follows:

		Repurchase price per share		
Month of repurchase	**No. of shares repurchased**	**Highest price paid**	**Lowest price paid**	**Aggregate consideration paid**
		HK$	*HK$*	*HK$*
May 2023	106,872,000	0.80	0.74	81,931,340
June 2023	1,300,000	0.68	0.65	866,080
July 2023	7,050,000	0.60	0.56	4,082,880
August 2023	15,596,000	0.55	0.48	7,909,350
Total	130,818,000			94,789,650

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed shares in FY2023.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company is committed to achieving high standards of corporate governance and has always recognised the importance of accountability, transparency and protection of Shareholders' interest in general. The Company has adopted the code provisions of the CG Code set out in Part 2 of Appendix C1 to the Listing Rules as its own corporate governance policy, subject to amendments from time to time.

In the opinion of the Board, the Company had complied with all applicable code provisions of the CG Code throughout FY2023, except for the code provision C.2.1, which stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. The roles of chairman of the Board and Chief Executive Officer are borne concurrently by Dr. Liu Erzhuang ("**Dr. Liu**") to improve the efficiency of decision-making and execution process of the Company. Accordingly, the Company has deviated from code provision C.2.1 of the CG Code. Notwithstanding the above, the Board believes that the balance of power and authority is adequately ensured by the operation of the Board, which comprises experienced talents with a sufficient number of independent non-executive Directors, and therefore, the performance of the roles of the chairman of the Board and the Chief Executive Officer concurrently by Dr. Liu will not impair the balance of power and authority between the Board and the management of the Company and the deviation from code provision C.2.1 of the CG Code is appropriate in such circumstance.

SCOPE OF WORK OF INDEPENDENT AUDITOR

The financial figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 March 2024 as set out in this final results announcement have been compared and agreed by the Company's auditor, KPMG, Public Interest Entity Auditor registered in accordance with Accounting and Financial Reporting Council Ordinance, to the amounts set out in the Group's audited consolidated financial statements for the year ended 31 March 2024. The work performed by KPMG in this respect did not constitute an audit, review or other assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by KPMG on this final results announcement.

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules to regulate the Directors' securities transactions.

Having made specific enquiries by the Company, all Directors have confirmed that they have complied with the required standard set out in the Model Code throughout FY2023.

PUBLICATION OF FINAL RESULTS AND ANNUAL REPORT

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

The annual report of the Company for FY2023 containing all the information required by Appendix D2 to the Listing Rules will be sent to the Shareholders and published on the websites of the Stock Exchange and the Company in due course.

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

Hong Kong, 28 June 2024

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

* *For identification purpose only*