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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)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

The board (the "**Board**") of directors (the "**Directors**") of Productive Technologies Company Limited (the "**Company**") is pleased to announce the unaudited interim results of the Company and its subsidiaries (the "**Group**") for the six months ended 30 September 2024 (the "**Reporting Period**"). The interim results of the Group are unaudited but have been reviewed by the audit committee of the Company (the "**Audit Committee**").

BUSINESS HIGHLIGHTS

OUR SEMICONDUCTOR EQUIPMENT BUSINESS:

CUBE/QUADRA single wafer cleaning equipment, applicable to 6–12 inch wafers, has been gradually expanding its substitution for products from international equipment manufacturers with industry-leading Bernoulli transmission technology, wafer edge processing technology, and higher productivity. During the Reporting Period, the equipment has further evolved with cumulative milestones in respect of mass production. A demo contract for our CUBE equipment with a new customer has been converted into a formal order, the final acceptance of which has been completed. As of the date of this interim results announcement, the equipment has served seven different customers, with the formal acceptance of multiple sets of equipment completed and repeated orders received from customers.

OCTOPUS single wafer cleaning equipment, applied to 12-inch wafer scale production lines, has achieved breakthroughs in respect of advanced processing technology development and mass production. In respect of high-temperature SPM cleaning, the marathon test recognized by customers has been completed. The equipment has been delivered to industry-leading customers and has been converted into a formal order following installation and debugging at another key customer's site as of the date of this interim results announcement, the final acceptance of which is about to be concluded. Additionally, the equipment has received purchase offers from several customers.

Parallelo cleaning equipment, designed for 12-inch wafer cleaning processes, achieves advanced surface metal contamination control, with more flexible configurations and higher capacity. The first equipment is expected to be delivered in the financial year ending 31 March 2025, making it an important supplement to the Company's cleaning equipment product portfolio.

Low pressure chemical vapor deposition ("**LPCVD**") equipment focused on the localization of 12-inch advanced processes logic and memory chips. The Company has completed the research and development ("**R&D**") of three types of LPCVD equipment, covering key thin film deposition processes such as ALD-SiN, Poly, and LP-SiN. During the Reporting Period, the Company continued to advance design optimization and assembly testing. The ALD-SiN process equipment has been assembled and achieved testing results that meet industry standards, and the LP-SiN process equipment is nearing completion of assembly.

OUR SOLAR CELL EQUIPMENT BUSINESS:

Batch cleaning equipment and inline cleaning equipment of the Company have rich experience of mass production in TOPCon and Back Contact (BC) cell applications, serving customers covering domestic mainstream solar cell manufacturers. During the Reporting Period, the Company comprehensively upgraded and iterated its solar cleaning equipment in line with market demand. The newly designed batch equipment Batch N600-2.0 is compatible with a wider range of silicon wafer sizes and customer requirements, and can meet the needs of half-wafer processes for BC and HJT cells with significant capacity advantages. The newly designed inline equipment Niak4- Flattener can meet the latest customer demands in BC and HJT processes, with a capacity that can be fully matched to that of the batch equipment, enabling the integration of the two types of equipment with the unique design of fully independent left and right sides. Through innovation and iteration of equipment as well as operational cost reduction and efficiency enhancement measures, the Company will better serve evolving customer needs and mitigate the impact of industry-wide fluctuations on its business.

InCellPlate, the copper plating equipment, is applied in the metallization process as an alternative of silver paste. The Company was one of the earlier movers in terms of inline horizontal plating equipment. The equipment has greater current density and higher deposition rates. Through the development and testing in collaboration with customers, the Company has accumulated more application experience, and received a high degree of customer recognition. The equipment covers BC, TOPCon, HJT and other processes, which helps to promote the trend of silverless technology in the industry and help customers reduce costs and increase efficiency.

During the Reporting Period, the Company's major R&D projects have been substantially completed and future R&D and fixed expenses are expected to continue to be optimized. As of the date of this interim results announcement, the Company's unrecognized revenue from orders on hand amounted to HK$469 million. At the same time, the Company is actively expanding its market to secure more new orders and maintain sound business development. Looking ahead, with the completion of R&D projects and a number of orders under negotiation, the Company is expected to achieve better performance in terms of profit margin. The Company continues to carry out technological innovation and market development, and is moving towards higher goals.

CORPORATE PROFILE

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

During the Reporting Period, the Company continued 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 sales 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.

- 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 29.79% 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 169,338 barrels, and gross revenue from sales of approximately HK$106 million for the Reporting Period.

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

FINANCIAL SUMMARY

	Six months ended 30 September	
	2024	2023
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Revenue from sales *(Note 1)*	**161,990**	336,257
— from sales of equipment *(Note 1)*	**72,537**	248,263
— from sales of crude oil *(Note 1)*	**84,670**	73,563
— from services	**4,783**	14,431
Gross profit *(Note 2)*	**29,753**	54,734
Investment loss *(Note 3)*	**(36,815)**	(24,662)
Loss before taxation	**(158,331)**	(145,830)
Loss for the period *(Note 4)*	**(165,118)**	(149,834)
— Attributable to equity shareholders of the Company	**(160,695)**	(141,665)
— Attributable to non-controlling interests	**(4,423)**	(8,169)
EBITDA *(Note 5)*	**(100,796)**	(88,706)
Basic and diluted loss per share (HK$ per share)	**(2.171 cent)**	(1.884 cent)

	As at	
	30 September 2024	31 March 2024
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Non-current assets	**1,165,443**	1,193,392
Current assets	**1,400,418**	1,429,745
Total assets	**2,565,861**	2,623,137
Current liabilities	**848,607**	761,840
Non-current liabilities	**103,403**	103,066
Total liabilities	**952,010**	864,906
Net assets	**1,613,851**	1,758,231
Total equity attributable to equity shareholders of the Company	**1,632,353**	1,772,353

Note 1: The revenue represents:

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

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

Note 2: The decrease in the gross profit was mainly due to the decrease in gross profit contribution from solar cell cleaning equipment 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; (ii) the gain or loss shared from associates; and (iii) the impairment loss from an associate amounting to approximately HK$40.4 million which was recorded by the Group during the Reporting Period.

Note 4: The loss for the period was primarily attributable to (i) the R&D and administrative expenses of approximately HK$131.1 million in relation to the rapid development and expansion of the Company's business in semiconductor and solar industry, including the non-cash share-based compensation to employees and depreciation and amortisation expenses caused by the acquisition of solar companies completed in the year ended 31 March 2023; and (ii) the non-cash impairment from non-equipment business investment of an associate (i.e. Weipin) of approximately HK$40.4 million, which was mainly due to that the performance of the associate is still below management expectation with the intensifying competition among leading traffic platforms, where the market prioritizes partnerships with co-established platforms or their own drivers and vehicles over third-party ride services providers like Weipin.

Note 5: Non-HKFRs Adjusted EBITDA

In evaluating our business, we consider and use certain non-GAAP measures, including adjusted EBITDA (Non-GAAP Financial Measures), 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.

	Six months ended 30 September	
	2024	2023
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Loss before taxation	**(158,331)**	(145,830)
Add/(Less):		
Depreciation and amortisation	**52,194**	54,906
Interest expenses	**5,341**	2,218
EBITDA	**(100,796)**	(88,706)
Adjusted for:		
Impairment of an associate	**40,350**	–
Share of (profit)/losses of associates	**(4,408)**	16,769
Impairment loss of trade and other receivables	**4,254**	594
Equity-settled share-based payment expenses	**12,176**	31,848
One-off transaction costs	**2,088**	5,364
Non-HKFRs Adjusted EBITDA	**(46,336)**	(34,131)

OPERATING SUMMARY

		Six months ended 30 September	
		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)	**205,284**	157,374
	Among which: orders for equipment for 12-inch wafers	**163,512**	128,011
	Amount of unrecognized revenue from orders cumulatively delivered (VAT included)	**138,637**	92,670
	Among which: orders for equipment for 12-inch wafers	**126,993**	35,581
	Solar cell cleaning equipment (VAT included)		
	Amount of unrecognized revenue from orders on hand (VAT included)	**246,567**	295,578
	Amount of unrecognized revenue from orders cumulatively delivered (VAT included)	**69,329**	114,172

		Six months ended 30 September	
		2024	2023
		HK$'000	*HK$'000*
Oil and gas and others	**Upstream oil and gas business from Hongbo Mining**		
	Gross production volume (barrels) *(Note 1)*	**170,035**	144,515
	Gross sales volume (barrels) *(Note 1)*	**169,338**	144,603
	Net sales volume (barrels)	**135,470**	115,682
	Average unit selling price (HK$ per barrel) *(Note 1)*	**625**	636
	Average daily gross production volume (barrels)	**945**	803
	Average unit production cost before depreciation and amortisation (HK$ per barrel) *(Note 1)*	**156**	145
	Average unit production cost (HK$ per barrel) *(Note 1)*	**365**	360
	Wells drilled during the period — Oil producers (unit) *(Note 2)*	**8**	4
	Fracturing workover during the period (unit)	**2**	6

Note 1: 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 2: During the Reporting Period, Hongbo Mining had successfully drilled 8 wells.

For the purpose of this interim 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 six months ended 30 September 2024 — unaudited
(Expressed in Hong Kong dollars)

	Note	Six months ended 30 September 2024 HK$'000 (Unaudited)	2023 HK$'000 (Unaudited)
Revenue	4	**161,990**	336,257
Cost of sales		**(132,237)**	(281,523)
Gross profit		**29,753**	54,734
Investment loss, net	5	**(36,815)**	(24,662)
Other net gains		**6,799**	7,602
Administrative expenses		**(77,196)**	(75,116)
Research and development expenses		**(53,919)**	(70,733)
Selling and marketing expenses		**(11,852)**	(15,051)
Taxes other than income tax		**(11,240)**	(10,138)
Exploration expenses, including dry holes		**(509)**	(496)
Impairment loss on trade and other receivables		**(4,254)**	(594)
Loss from operations		**(159,233)**	(134,454)
Finance income		**9,896**	10,057
Finance costs		**(8,994)**	(21,433)
Net finance income/(costs)	6(a)	**902**	(11,376)
Loss before taxation	6	**(158,331)**	(145,830)
Income tax	7	**(6,787)**	(4,004)
Loss for the period		**(165,118)**	(149,834)
Attributable to:			
Equity shareholders of the Company		**(160,695)**	(141,665)
Non-controlling interests		**(4,423)**	(8,169)
Loss for the period		**(165,118)**	(149,834)
Loss per share	8		
— Basic		**HK$(2.171 cent)**	HK$(1.884 cent)
— Diluted		**HK$(2.171 cent)**	HK$(1.884 cent)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the six months ended 30 September 2024 — unaudited
(Expressed in Hong Kong dollars)

		Six months ended 30 September	
		2024	2023
	Note	***HK$'000***	*HK$'000*
		(Unaudited)	(Unaudited)
Loss for the period		**(165,118)**	(149,834)
Other comprehensive income for the period (after tax and reclassification adjustments)			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation differences		**8,579**	(39,160)
Other comprehensive income for the period		**8,579**	(39,160)
Total comprehensive income for the period		**(156,539)**	(188,994)
Attributable to:			
Equity shareholders of the Company		**(152,159)**	(179,371)
Non-controlling interests		**(4,380)**	(9,623)
Total comprehensive income for the period		**(156,539)**	(188,994)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 30 September 2024 — unaudited

(Expressed in Hong Kong dollars)

	Note	**At 30 September 2024** *HK$'000* **(Unaudited)**	At 31 March 2024 *HK$'000* (Audited)
Non-current assets			
Property, plant and equipment		**429,739**	410,491
Construction in progress		**6,401**	6,999
Intangible assets		**115,216**	123,882
Goodwill		**265,632**	265,632
Right-of-use assets		**31,285**	36,900
Interest in associates		**187,500**	207,293
Financial assets at fair value through profit or loss	*9*	**101,891**	102,764
Other non-current assets		**27,779**	39,431
		1,165,443	1,193,392
Current assets			
Inventories		**419,499**	463,279
Trade receivables	*10*	**118,852**	93,532
Bills receivable	*10*	**11,230**	8,440
Other receivables	*10*	**45,066**	31,192
Prepayments		**105,880**	56,994
Other current assets		**15,241**	45,686
Restricted cash		**205,531**	199,182
Time deposits with maturities over three months but within one year		**132,099**	133,049
Cash and cash equivalents		**347,020**	398,391
		1,400,418	1,429,745
Current liabilities			
Accrued expenses and other payables	*11*	**213,010**	189,017
Trade payables	*11*	**286,855**	234,371
Contract liabilities		**41,516**	54,506
Bank and other borrowings		**290,311**	261,100
Lease liabilities		**8,439**	11,191
Other current liabilities		**8,476**	11,655
		848,607	761,840

	Note	At 30 September 2024 HK$'000 (Unaudited)	At 31 March 2024 HK$'000 (Audited)
Net current assets		**551,811**	667,905
Total assets less current liabilities		**1,717,254**	1,861,297
Non-current liabilities			
Lease liabilities		**14,093**	14,029
Deferred tax liabilities		**1,493**	7,086
Provisions		**87,817**	81,951
		103,403	103,066
NET ASSETS		**1,613,851**	1,758,231
CAPITAL AND RESERVES			
Share capital	*12(b)*	**74,013**	74,013
Treasury shares		**(852)**	(1,347)
Reserves		**1,559,192**	1,699,687
Total equity attributable to equity shareholders of the Company		**1,632,353**	1,772,353
Non-controlling interests		**(18,502)**	(14,122)
TOTAL EQUITY		**1,613,851**	1,758,231

NOTES TO THE UNAUDITED INTERIM FINANCIAL INFORMATION

(Expressed in Hong Kong dollars unless otherwise indicated)

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

2. BASIS OF PREPARATION

This interim financial information has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange, including compliance with Hong Kong Accounting Standard ("**HKAS**") 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**").

The interim financial information has been prepared in accordance with the same accounting policies adopted in the annual financial statements for the year ended 31 March 2024, except for the accounting policy changes that are expected to be reflected in the annual financial statements for the year ending 31 March 2025. Details of any changes in accounting policies are set out in note 3.

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

This interim financial information contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the annual financial statements for the year ended 31 March 2024. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**").

3. CHANGES IN ACCOUNTING POLICIES

The Group has applied the following amendments for the first time for their interim Reporting Period commencing 1 April 2024:

- Classification of Liabilities as Current or Non-current — Amendments to HKAS 1;
- Non-current Liabilities with Covenants — Amendments to HKAS 1;
- Lease Liability in Sale and Leaseback — Amendments to HKFRS 16;
- Supplier Finance Arrangements — Amendments to HKAS 7 and HKFRS 7;
- Hong Kong Interpretation 5 (Revised) Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause.

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.

4. REVENUE AND SEGMENT REPORTING

(a) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products or service lines is as follows:

	Six months ended 30 September	
	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))*	**72,537**	248,263
— sales of crude oil *(note (ii))*	**84,670**	73,563
— rendering of services	**4,783**	14,431
Cost of sales and services		
— sales of equipment	**(70,391)**	(226,207)
— sales of crude oil	**(61,846)**	(52,030)
— rendering of services	**–**	(3,286)
	29,753	54,734

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$8 to HK$27 per barrel during the six months ended 30 September 2024. There are three 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) Information about profit or loss, assets and liabilities

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 period is set out below.

	Six months ended 30 September					
	Pan-semiconductor		Oil and gas and others		Total	
	2024	2023	**2024**	2023	**2024**	2023
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Revenue from external customers	**77,320**	262,694	**84,670**	73,563	**161,990**	336,257
Investment loss	**–**	–	**(36,815)**	(24,662)	**(36,815)**	(24,662)
Reportable segment (loss)/profit (EBITDA)	**(148,382)**	(88,643)	**47,586**	(63)	**(100,796)**	(88,706)
Depreciation and amortisation	**(9,937)**	(16,371)	**(42,257)**	(38,535)	**(52,194)**	(54,906)
Interest income	**35**	184	**10,011**	9,687	**10,046**	9,871
Interest expense	**(5,331)**	(1,989)	**(10)**	(229)	**(5,341)**	(2,218)
Impairment loss on trade receivables	**(4,254)**	(594)	**–**	–	**(4,254)**	(594)
	As at 30 September					
Reportable segment assets	**1,045,301**	1,154,203	**1,520,560**	2,071,499	**2,565,861**	3,225,702
Reportable segment liabilities	**(869,104)**	(973,210)	**(82,906)**	(291,828)	**(952,010)**	(1,265,038)

(ii) Reconciliations of reportable segment profit or loss

	Six months ended 30 September 2024 *HK$'000*	2023 *HK$'000*
Loss		
Reportable segment loss (EBITDA)	**(100,796)**	(88,706)
Depreciation and amortisation	**(52,194)**	(54,906)
Interest expense	**(5,341)**	(2,218)
Consolidated loss before taxation	**(158,331)**	(145,830)

5. INVESTMENT (LOSS)/INCOME

	Six months ended 30 September 2024 *HK$'000*	2023 *HK$'000*
JOVO investment *(note (a))*	**–**	416
Fund investment *(note (a))*	**(873)**	(7,893)
Dividend income	**–**	378
Share of gain/(losses) of associates	**4,408**	(17,563)
Impairment losses of an associate *(note (b))*	**(40,350)**	–
Net realised and unrealised gain on derivative financial instruments	**–**	–
	(36,815)	(24,662)

Notes:

(a) These amounts represent fair value changes and/or disposal gains or losses of the various investments during the six months ended 30 September 2024 and 2023. Such assets are measured at FVTPL, any interest income arising from such assets is included in fair value changes.

(b) The amount represents the impairment provided for the equity investment to an associate (i.e. Weipin) of the Group.

6. LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging/(crediting):

(a) Net finance income/(costs)

	Six months ended 30 September	
	2024	2023
	HK$'000	*HK$'000*
Interest income	**10,046**	9,147
Net gain on bank financial products	**739**	910
Foreign exchange loss, net	**(2,651)**	(17,452)
Interest on bank and other borrowings	**(4,927)**	(1,602)
Interest on lease liabilities	**(414)**	(616)
Accretion expenses	**(1,792)**	(1,629)
Others	**(99)**	(134)
	902	(11,376)

(b) Other items

	Six months ended 30 September	
	2024	2023
	HK$'000	*HK$'000*
Amortisation	**11,128**	17,605
Depreciation		
— property, plant and equipment	**36,711**	31,340
— right-of-use assets	**4,355**	5,961

7. INCOME TAX

	Six months ended 30 September	
	2024	2023
	HK$'000	*HK$'000*
Current tax		
— Hong Kong Profits Tax	**–**	–
— PRC Corporate Income Tax	**11,865**	9,245
Deferred tax		
— Origination and reversal of temporary differences	**(5,078)**	(5,241)
	6,787	4,004

Pursuant to the rules and regulations of the Cayman Islands, Bermuda and the British Virgin Islands (the "**BVI**"), the Group is not subject to any income tax in the 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 both current and prior periods. The provision for Hong Kong profits tax is calculated at 16.5% (2023: 16.5%) of the estimated assessable profits.

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 loss per share is based on the loss attributable to ordinary equity shareholders of the Company of HK$306,220,000 (six months ended 30 September 2023: loss of HK$141,665,000) and the weighted average of 7,401,288,000 ordinary shares (six months ended 30 September 2023: 7,518,944,000 shares) in issue during the interim period, calculated as follows:

Weighted average number of ordinary shares

	Six months ended 30 September	
	2024	2023
Issued ordinary shares at 1 April (thousand)	**7,401,288**	7,519,302
Effect of shares repurchased (thousand)	**–**	(358)
Weighted average number of ordinary shares (thousand)	**7,401,288**	7,518,944
Basic loss per share (HK$ cent per share)	**(2.171)**	(1.884)

(b) Diluted loss per share

There were no potential dilutive shares as at 30 September 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 30 September 2024 *HK$'000*	At 31 March 2024 *HK$'000*
Non-current assets		
Fund investment *(note)*	**101,891**	102,764
	101,891	102,764

Note:

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$155.41 million). As at 30 September 2024, the total capital contributed by Valuefort was US$14.3 million (equivalent to approximately HK$111.1 million) and the fair value of the Fund investment was HK$101,891,000 (as at 31 March 2024: HK$102,764,000).

10. TRADE AND OTHER RECEIVABLES

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

As of the end of the Reporting Period, the ageing 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 30 September 2024 *HK$'000*	At 31 March 2024 *HK$'000*
Within 1 month	**27,541**	27,302
1 to 6 months	**35,958**	52,230
7 to 12 months	**45,201**	1,104
Over 1 year	**10,152**	12,896
Trade receivables, net of allowance for doubtful debts	**118,852**	93,532
Bills receivable	**11,230**	8,440
Other receivables	**45,066**	31,192
	175,148	133,164

The Group constantly evaluates credit risk for trade and other receivables by taking into account their past history of making payments when due and current ability to pay, and thus the expected credit loss for trade receivables amounting to approximately HK$4.3 million recognised during the Reporting Period was mainly from customers of the Company.

The following table provides information about the exposure to credit risk and expected credit loss for trade receivables as at 30 September 2024 and 31 March 2024:

30 September 2024	**Expected loss rate**	**Gross carrying amount**	**Loss allowance**
	%	*HK$'000*	*HK$'000*
Within 1 month past due	2.59%	28,273	(732)
1 to 12 months past due	4.93%	85,367	(4,208)
Over 1 year past due	30.03%	14,509	(4,357)
Total		128,149	(9,297)

31 March 2024	**Expected loss rate**	**Gross carrying amount**	**Loss allowance**
	%	*HK$'000*	*HK$'000*
Within 1 month past due	0.99%	27,571	(269)
1 to 12 months past due	1.08%	53,918	(584)
Over 1 year past due	24.53%	17,086	(4,190)
Total		98,575	(5,043)

Expected credit loss for other receivables amounting to nil (year ended 31 March 2024: Nil) was recognised for the Reporting Period, which was mainly related to other receivables due from the third parties.

In estimating the expected credit loss and in determining whether there is a significant increase in credit risk since initial recognition and whether the financial asset is credit-impaired, the Group has taken into account the historical actual credit loss experience for debtors and adjusted for forward-looking factors that are specific to the debtors and general economic conditions of the industry in which the counterparties operate, in estimating the probability of default of these financial assets, as well as the loss upon default in each case.

The Group has set up internal policies in determination of credit limits, credit approvals and other monitoring procedures to ensure that the follow-up action is taken to recover the overdue balances.

11. TRADE AND OTHER PAYABLES

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 30 September 2024	At 31 March 2024
	HK$'000	*HK$'000*
Within 1 year	**223,029**	213,289
Over 1 year but within 2 years	**58,006**	11,459
Over 2 years but within 3 years	**749**	1,144
Over 3 years	**5,071**	8,479
Trade payables	**286,855**	234,371
Taxes other than income tax payable	**60,252**	54,752
Individual income tax payable	**29,364**	17,787
Cooperation sharing payable due to a third party	**69,787**	58,752
Interest payable	**10,412**	9,244
Others	**43,195**	48,482
	499,865	423,388

12. CAPITAL, RESERVES AND DIVIDENDS

(a) Dividends

No dividends were paid, declared or proposed during the six months ended 30 September 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 2023, 31 March 2024 and 30 September 2024	11,000,000	110,000	5,000,000	50,000	16,000,000	160,000
Issued, paid or payable:						
At 1 April 2023	7,519,302	75,193	–	–	7,519,302	75,193
Insurance of shares	12,804	128	–	–	12,804	128
Purchase of own shares	(130,818)	(1,308)	–	–	(130,818)	(1,308)
At 31 March 2024	7,401,288	74,013	–	–	7,401,288	74,013
Changes:	–	–	–	–	–	–
At 30 September 2024	7,401,288	74,013	–	–	7,401,288	74,013

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The principal activities of the Group

The Group is engaged in the business of productivity-driven equipment applied in semiconductor and pan-semiconductor 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. In the semiconductor equipment sector, global sales are projected to grow by 3.4% year-over-year in 2024, reaching US$109 billion. Overall, 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.

The global market size for solar cell cleaning equipment is projected to exceed US$680 million in 2024, capturing 8% of the overall equipment market. Despite experiencing short-term adjustments, the photovoltaic ("**PV**") market in China still shows strong potential for long-term growth. Considering that the domestic market constitutes nearly 95% of the global PV market, the Company is poised to secure a significant share of this expanding sector.

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 R&D, 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 the Reporting Period, the Company's semiconductor and solar cell businesses have been advancing steadily with remarkable progress including: (1) in the semiconductor business, (a) a demo contract for our CUBE single wafer cleaning equipment with a new customer has been converted into a formal order, the final acceptance of which has been completed; the pre-acceptance orders from the previous financial year have also passed final acceptance with accumulated payment collection exceeding 80%; (b) our OCTOPUS single wafer cleaning equipment at the site of a key customer has been converted into a formal order following installation and debugging, the final acceptance of which is about to be concluded; while the advanced high-temperature SPM cleaning processing technology has passed the marathon test recognized by customers; and (c) in terms of new order acquisition, the Company has been in continuous efforts to develop top- and mid-tier customers in the market to grasp the opportunity on their emerging needs for production capacity expansion. During the Reporting Period, the Company has secured repeated orders from customers as well as a number of intent orders and orders under negotiation; and (2) in the solar cell field, the Company will advance our BC processing technology in the future production capacity expansion, where the Company boasts advantages in respect of mature technologies and products. Meanwhile, the Company focused on technological innovation and development, with the R&D expenses in proportion to the revenue at high level, which was 33.29% in the Reporting Period. With the completion of R&D of certain major products of the Company, the R&D expenses decreased by 23.8% from HK$70.7 million for the six months ended 30 September 2023 to HK$53.9 million in the Reporting Period.

As a technology-driven company, we continually invest our resources into the development of cutting-edge new applications. Our self-developed semiconductor high temperature SPM cleaning equipment has achieved positive results in critical process testing, reaching industry-leading standards. Additionally, our 12-inch semiconductor batch-type equipment and LPCVD equipment are also poised to enter the commercialization stage.

During the Reporting Period, the Company served over 10 semiconductor industry clients while completing the delivery and acceptance of our equipment. We also carried out continuous iterative upgrades to our OCTOPUS and CUBE platforms, which are applied in semiconductor single-wafer cleaning. 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. 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.

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 operational 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 domestic market dominates about 30% of the global market, representing about US$4 billion. The LPCVD equipment is critical in thin film deposition in semiconductor equipment manufacturing with a high barrier to entry and low localization rate. The Company's planned LPCVD product portfolio encompasses several advanced LPCVD equipment models tailored for 12-inch wafer manufacturing. In particular, the ALD-SiN equipment developed by Xinkai has completed the assembly process and achieved test results meeting the industry's advanced application standards.

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.

In 2024, international oil prices continued to experience volatility. The first quarter saw prices rise due to renewed geopolitical tensions and supply disruptions. However, the second quarter brought a decline as global economic growth slowed and alternative energy sources gained traction. The third quarter witnessed a stabilization of prices as OPEC+ maintained its production cut strategy, balancing supply and demand. Looking forward, it is anticipated that OPEC+ will continue to adopt the strategy of reducing production to maintain prices. Considering external factors such as geopolitical crises, the oil price is still expected to remain relatively high in 2024.

Despite these fluctuations, the oil and gas industry is experiencing a continuous recovery. However, attention should be drawn to 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.

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 sales 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 the Reporting Period, Hongbo Mining has carried out maintenance work on existing production wells to ensure stable oil production, and has successfully drilled and completed 8 new wells. As of the date of this interim 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 increased by approximately 17.7% to 170,035 barrels; its gross and net oil sales volume increased by approximately 17.1% to 169,338 barrels and 135,470 barrels, respectively. Despite that the average crude oil price slightly decreased, the gross revenue (equivalent to the net revenue from sales of crude oil plus the 20% crude oil entitlement for Yanchang) and net revenue from sales of crude oil increased by approximately 15.1% to approximately HK$105.8 million and HK$84.7 million, respectively, compared to those for the six months ended 30 September 2023.

Meanwhile, the drilling of new production wells caused the increase of production volume and as a result, the average unit production cost slightly increased by HK$5 per barrel, or approximately 1.4%, from HK$360 per barrel (equivalent to US$46.0 per barrel) for the six months ended 30 September 2023 to HK$365 per barrel (equivalent to US$46.7 per barrel) for the Reporting Period. Hongbo Mining increased the maintenance work on existing production wells during the Reporting Period and as a result, the average unit production cost before depreciation and amortization increased by HK$11 per barrel, or approximately 7.6%, from HK$145 per barrel (equivalent to US$18.5 per barrel) for the six months ended 30 September 2023 to HK$156 per barrel (equivalent to US$20.0 per barrel) for the Reporting Period accordingly.

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

	Six months ended 30 September	
	2024	2023
Average daily gross production volume (barrels)	**945**	803
Average daily gross sales volume (barrels)	**941**	803
Average unit production cost before depreciation and amortisation (HK$ per barrel)	**156**	145
Average unit production cost (HK$ per barrel)	**365**	360
Average unit selling price (HK$ per barrel)	**625**	636

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

	Summary of expenditures incurred for the six months ended 30 September			
	2024		2023	
	Number	**Cost** *(HK$'000)* **(Unaudited)**	Number	Cost *(HK$'000)* (Unaudited)
Wells drilled during the period				
Oil producers	**8**	**31,074**	4	16,680
Fracturing workover	**2**	**1,337**	6	4,035
Geological and geophysical costs	**–**	**464**	–	496

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 35,000,010 shares in Weipin. Upon completion of this transaction with a total investment of approximately RMB200 million, the Company effectively holds 35.5% of the total share capital of 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". However, due to the intensifying competition among leading traffic platforms, where the market prioritizes partnerships with co-established platforms or their own drivers and vehicles over third-party ride services providers like Weipin, the performance of Weipin is still below management expectation and it is struggling to achieve its business plan.

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 30 September 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 30 September 2024**	**Unutilized Net Proceeds as at 30 September 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	449,000	451,000
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 30 September 2024, an aggregate amount of HK$802 million had been utilized pursuant to the revised intended use, and the unutilized Net Proceeds of HK$681 million are expected to be utilized in accordance with the revised intended use by 31 March 2025. 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 BC, and on the other hand, technology reserve in a prospective manner for new technology process routes in the future.

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.

As of the third quarter of 2024, global oil demand growth has slowed down, with the International Energy Agency (IEA) projecting an increase of just under 900,000 barrels per day. This deceleration is largely attributed to weaker economic growth in major economies and increased adoption of alternative energy sources. Despite this, oil production in non-OPEC+ countries such as the United States (the "**US**"), Brazil, and Guyana has continued to rise. OPEC+, led by Saudi Arabia, has maintained its policy of reducing production to support prices. Geopolitical tensions, particularly in the Middle East, have contributed to supply disruptions and price volatility. As a result, oil prices have remained relatively high, with Brent Crude oil price averaging around US$82 per barrel in 2024. 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 volume to take advantage of short-term high oil prices.

FINANCIAL RESULTS REVIEW

Comparing the six months ended 30 September 2024 to the six months ended 30 September 2023

Revenue

The revenue represents:

— *Sales of equipment and services rendered*

The sales of equipment and services rendered represented the sales of cleaning equipment applied in solar and semiconductor manufacturing and the spare parts and services rendered related to the equipment. It decreased by HK$185.4 million, or approximately 70.6%, from HK$262.7 million for the six months ended 30 September 2023 to HK$77.3 million for the Reporting Period.

The decrease was primarily attributable to the recent downturn in the PV industry. The global PV market has experienced a slowdown since the end of 2023 due to the reduced demand and project delays, which have led to a corresponding decrease in sales of solar equipment.

— *Sales of crude oil*

The sales of crude oil represented the crude oil net sales from Hongbo Mining. It increased by HK$11.1 million, or approximately 15.1%, from HK$73.6 million for the six months ended 30 September 2023 to HK$84.7 million for the Reporting Period.

The increase was mainly due to the increase of sales volume partially offset by the decrease of sales price during the Reporting Period. Hongbo Mining's crude oil is priced mainly with reference to Brent Crude oil prices. The average Brent Crude oil price for the Reporting Period decreased to approximately HK$639 per barrel as compared to approximately HK$646 per barrel for the six months ended 30 September 2023. The average unit selling price of Hongbo Mining's crude oil decreased to approximately HK$625 per barrel for the Reporting Period from HK$636 per barrel for the six months ended 30 September 2023, which was consistent with the trend of global oil prices. On the other hand, Hongbo Mining's net sales volume increased to 135,470 barrels for the Reporting Period from 115,682 barrels for the six months ended 30 September 2023, which was mainly due to the new wells drilled and fracturing work performed during the Reporting Period. For further details on the increase of the production volume, please refer to "Business Review — Hongbo Mining".

Cost of sales

Cost of sales represents:

— *Cost of sales of equipment*

The cost of sales of equipment decreased by HK$155.8 million, or approximately 68.9%, from HK$226.2 million for the six months ended 30 September 2023 to HK$70.4 million for the Reporting Period. The decrease was consistent with the decrease of sales.

— *Cost of sales of crude oil*

The cost of sales of crude oil from Hongbo Mining slightly increased by HK$9.8 million, from HK$52.0 million for the six months ended 30 September 2023 to HK$61.8 million for the Reporting Period. The increase was mainly due to the increase of wells drilling expenses and depletion which was caused by the increase of maintenance work on existing production performed and decrease of reserve separately during the Reporting Period. For further details on the increase of the production volume, please refer to "Business Review — Hongbo Mining".

Gross profit

The gross profit decreased by HK$24.9 million, or approximately 45.5%, from HK$54.7 million for the six months ended 30 September 2023 to HK$29.8 million for the Reporting Period. The decrease was mainly due to the decrease of profit generated from sales of solar cell cleaning equipment by HK$27.0 million.

Investment income/(loss)

Investment income/(loss) mainly includes the following:

(1) The loss for the period was primarily attributable to (i) the non-cash impairment from non-equipment business investment of an associate (i.e. Weipin) of approximately HK$40.4 million. During the Reporting Period, the Mobility OPCOs were still struggling to achieve its business plan due to the intensifying competition among leading traffic platforms, where the market prioritizes partnerships with co-established platforms or their own drivers and vehicles over third-party ride services providers like Weipin. The Group performed the impairment test for its investment to Weipin and an independent qualified valuer was engaged by the Company to carry out such assessment. Based on the assessment result, an impairment loss was recognized by the Group during the Reporting Period; and (ii) a loss from fund investment of approximately HK$0.87 million; and

(2) The net share of gain of an associate engaging in semiconductor ASHER equipment and EPI equipment of approximately HK$13.5 million, which included an investment income of approximately HK$16.3 million from the changes recognized as a result of the rebound in the value of equity interest of the associate of the Company, which was attributable to the completion of fundraising of RMB70 million from third-party investors, where the pre-money equity valuation of such associate of the Company increased to RMB350 million compared with that of RMB50 million when the Company made the investment as one of the founding shareholders.

Administrative expenses

The administrative expenses were generally consistent with the comparative period for the six months ended 30 September 2023, it increased by HK$2.1 million, or approximately 2.8%, from HK$75.1 million for the six months ended 30 September 2023 to HK$77.2 million for the Reporting Period.

R&D expenses

The R&D expenses decreased by HK$16.8 million, or approximately 23.8%, from HK$70.7 million for the six months ended 30 September 2023 to HK$53.9 million for the Reporting Period. The decrease was mainly attributable to (1) a decrease in R&D material costs by HK$10 million following the completion of R&D on major products of the Company; and (2) a decrease of awarded shares granted to its employees recognized as R&D expenses of approximately HK$2 million.

Taxes other than income tax

Taxes other than income tax increased by HK$1.1 million, or approximately 10.9%, from HK$10.1 million for the six months ended 30 September 2023 to HK$11.2 million for the Reporting Period, which was mainly due to the increase in petroleum special profit levy and resources tax levied on the sales of crude oil attributable to the revenue increase of Hongbo Mining.

Exploration expenses, including dry holes

Exploration expenses were generally consistent with the comparative period for the six months ended 30 September 2023 and were approximately HK$0.5 million.

Impairment loss on trade and other receivables

The impairment loss on trade and other receivables increased by HK$3.7 million, or approximately 615.8%, from HK$0.6 million for the six months ended 30 September 2023 to HK$4.3 million for the Reporting Period, which was mainly due to the impairment loss based on expected credit losses due to slowdown in third party receivables during the Reporting Period. Further details on the Group's credit policy and credit risk arising from trade receivables are set out in Note 10 to the unaudited interim financial information of this interim results announcement.

Net finance income/(costs)

The net finance income changed by HK$12.3 million, from the net costs of HK$11.4 million for the six months ended 30 September 2023 to the net income of HK$0.9 million for the Reporting Period due to the fluctuation of foreign exchange gain.

Loss before taxation

Loss before taxation increased by HK$12.5 million, or approximately 8.6%, from HK$145.8 million for the six months ended 30 September 2023 to HK$158.3 million for the Reporting Period, which was primarily due to the cumulative effects of factors as discussed above in this section.

Income tax expense

Income tax expense increased by HK$2.8 million, or approximately 69.5%, from HK$4.0 million for the six months ended 30 September 2023 to HK$6.8 million for the Reporting Period. It mainly includes (1) current tax expense of HK$8.4 million mainly due to the increase of crude oil price which led to Hongbo Mining making relevant tax payment to the authority and tax filling differences during the Reporting Period; and (2) deferred tax credit of HK$5.3 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 period

Loss for the period increased by HK$15.3 million, or approximately 10.2%, from HK$149.8 million for the six months ended 30 September 2023 to HK$165.1 million for the Reporting Period, 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.

	Six months ended 30 September	
	2024	2023
	HK$'000	*HK$'000*
Loss before taxation	**(158,331)**	(145,830)
Add: Interest expenses	**5,341**	2,218
Add: Depreciation and amortisation	**52,194**	54,906
EBITDA	**(100,796)**	(88,706)

The EBITDA increased from a loss of HK$88.7 million for the six months ended 30 September 2023 to a loss of HK$100.8 million for the Reporting Period. The increase of EBITDA was primarily attributable to: (1) an increase of losses from non-equipment business primarily from an impairment of Weipin investment of approximately HK$40.4 million mainly due to the intensifying competition among leading traffic platforms, where the market prioritizes partnerships with co-established platforms or their own drivers and vehicles over third-party ride services providers like Weipin; and (2) the above-mentioned items are off-set by the (i) decrease in administrative and R&D expenses of approximately HK$14.7 million, which was mainly due to the implementation of cost control measures in response to the downturn in the market environment including a decrease in share-based compensation expenses; (ii) increase in gross profit contribution from crude oil sales of approximately HK$1.29 million; and (iii) increase in investment income of approximately HK$16.3 million from fair value changes recognized as a result of the rebound in the value of equity interest of one associate of the Company engaging in the business of semiconductor ASHER equipment and EPI equipment, which was attributable to the completion of fundraising of RMB70 million from third-party investors, where the pre-money equity valuation of such associate of the Company increased to RMB350 million compared with that of RMB50 million when the Company made the investment as one of the founding shareholders.

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 R&D, 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.

	Six months ended 30 September					
	Semiconductor and solar cell		**Oil and gas and others**		**Total**	
	2024	2023	**2024**	2023	**2024**	2023
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Revenue from external customers	**77,320**	262,694	**84,670**	73,563	**161,990**	336,257
Investment loss	**–**	–	**(36,815)**	(24,662)	**(36,815)**	(24,662)
Reportable segment (loss)/profit (EBITDA)	**(148,382)**	(88,643)	**47,586**	(63)	**(100,796)**	(88,706)
Depreciation and amortisation	**(9,937)**	(16,371)	**(42,257)**	(38,535)	**(52,194)**	(54,906)
Interest income	**35**	184	**10,011**	9,687	**10,046**	9,871
Interest expense	**(5,331)**	(1,989)	**(10)**	(229)	**(5,341)**	(2,218)
Impairment loss on trade receivables	**(4,254)**	(594)	**–**	–	**(4,254)**	(594)
As at 30 September						
Reportable segment assets	**1,045,301**	1,154,203	**1,520,560**	2,071,499	**2,565,861**	3,225,702
Reportable segment liabilities	**(869,104)**	(973,210)	**(82,906)**	(291,828)	**(952,010)**	(1,265,038)

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" of this interim results announcement.

The cash and cash equivalents are mostly denominated in US$, HK$ and RMB. As at 30 September 2024, the Group had unpledged cash and bank deposits of HK$479.1 million (31 March 2024: HK$ 531.4 million).

As at 30 September 2024, the Group had restricted cash of HK$205.5 million (31 March 2024: HK$199.2 million), which was time deposit that pledged on outstanding loans.

As at 30 September 2024, the Group had outstanding loans of HK$290.3 million (31 March 2024: HK$261.1 million).

Save as the information disclosed above or otherwise in this interim results announcement, the Group had no outstanding mortgage, pledge, debentures or other loan capital issued or agreed to be issued, bank overdrafts, borrowings, liabilities under acceptance or other similar liabilities, hire purchase and finance lease commitments, or any guarantees or other material contingent liabilities as at 30 September 2024.

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

As at 30 September 2024, the gearing ratio (ratio of the sum of total bank and other borrowings to the total assets) was approximately 11.3% (31 March 2024: 10.0%).

MAJOR RISK MANAGEMENT

The market risk exposures of the Group in its operations primarily consist of oil price risk, currency risk, liquidity risk, interest rate risk, credit risk, litigation 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.

During the Reporting Period, the Company had not purchased any hedging instruments for part of the production of Hongbo Mining. The Group constantly evaluate oil price risk and take actions whenever needed to guarantee the interests of its shareholder. As at 30 September 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 wellknown 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 third party trade receivables was HK$4.3 million (for the six months ended 30 September 2023: HK$0.6 million). The Group has internal policies and other monitoring procedures in place to ensure that action will be taken to recover trade receivables. Further details on the Group's credit policy and credit risk arising from trade receivables are set out in Note 10 to the unaudited interim financial information of this interim results announcement.

Litigation risk

The Group is involved from time to time, and may in the future be involved in, litigation, claims or other disputes in the ordinary course of business regarding, among other things, contract disputes involving our suppliers or customers. To this end, the Group establishes balance sheet provisions relating to potential losses from litigation based on estimates of the losses.

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 30 September 2024, the Group held Weipin investment as interest in an associate. Details are as follows:

	As at 30 September 2024					As at 31 March 2024
Name of the investment	**Investment gain/(loss)**	**Exchange adjustments**	**Interests received**	**Fair value**	**Approximate percentage to the total assets**	Fair value
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*		*HK$'000*
Weipin investment	(49,430)	525	–	144,443	5.6%	193,348

The cost for the subscription of the 35.5% shares of Weipin was approximately RMB200 million.

Looking forward, the Company expects that the market will remain challenging. The competitive and volatile operating environment around the world will continue to exert pressure on the market. Despite the foregoing, the Company will continue to pursue long-term business and profitability growth in line with its corporate mission and goals. The Board will continue to closely monitor the performance of its investment portfolios. For details of Weipin investment, please refer to the section headed "Business Review — Weipin" of this interim results announcement. Except for Weipin investment, as at 30 September 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 30 September 2024, the Group had outstanding pledge on time deposit of HK$205.5 million (31 March 2024: HK$199.2 million).

CONTINGENT LIABILITIES

So far as known to the Directors, as at 30 September 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 30 September 2024, the Group had the capital commitment of HK$32.4 million (31 March 2024: HK$39.3 million) contracted but not provided for the acquisition of property, plant and equipment.

INTERIM DIVIDENDS

The Directors do not recommend the payment of an interim dividend for the Reporting Period (31 March 2023: Nil).

MANAGEMENT CONTRACT

No contract concerning the management and administration of the whole or any substantial part of the business of the Company was entered into or existed during the Reporting Period.

EMPLOYEES

As at 30 September 2024, the Group had 396 (31 March 2024: 435) employees in Hong Kong and the PRC. During the Reporting Period, the total staff costs (including the Directors' emoluments and equity settled share-based compensation amounted to approximately HK$12.1 million) amounted to HK$134.0 million (for the six months ended 30 September 2023: HK$107.5 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 30 September 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 interim results announcement, Mr. CHAU Shing Yim David is the chairman of 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 the 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 unaudited consolidated interim results of the Group for the six months ended 30 September 2024 with no disagreement on the accounting treatment adopted by the Company.

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

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

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 the Reporting Period, 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 the chief executive officer of the Company (the "**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.

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 standards set out in the Model Code throughout the Reporting Period.

CHANGES IN INFORMATION OF DIRECTORS

Mr. Chau Shing Yim David is the member of Hong Kong Metropolitan University (HKMU) Foundation Advisory Committee. Mr. Chau has resigned as an independent non-executive director of China Evergrande Group (In Liquidation) (Stock Code: 3333) on 31 May 2024 and China Evergrande New Energy Vehicle Group Limited (Stock Code: 708) on 28 October 2024.

Save as disclosed in this interim results announcement, there is no other change in information of the Directors required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

SUBSEQUENT EVENTS AFTER THE REPORTING PERIOD

Except for as disclosed in this interim results announcement, there are no material subsequent events undertaken by the Company after 30 September 2024 and up to the date of this interim results announcement.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

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

The interim report of the Company for the Reporting Period 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, 22 November 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*