中國天然氣集團有限公司
CHINA LNG GROUP LIMITED

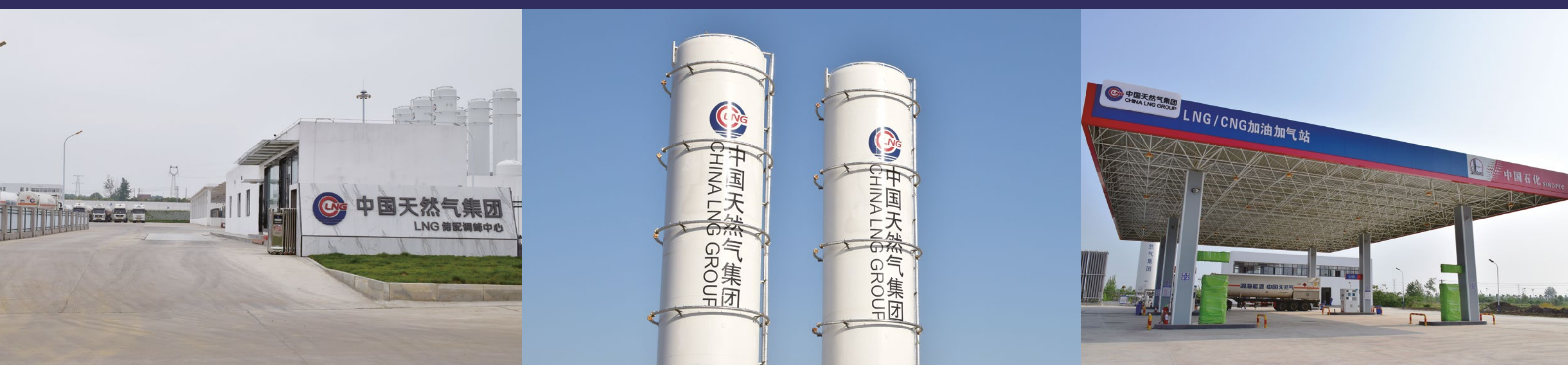
(incorporated in the Cayman Islands with limited liability)

(Stock Code: 931)

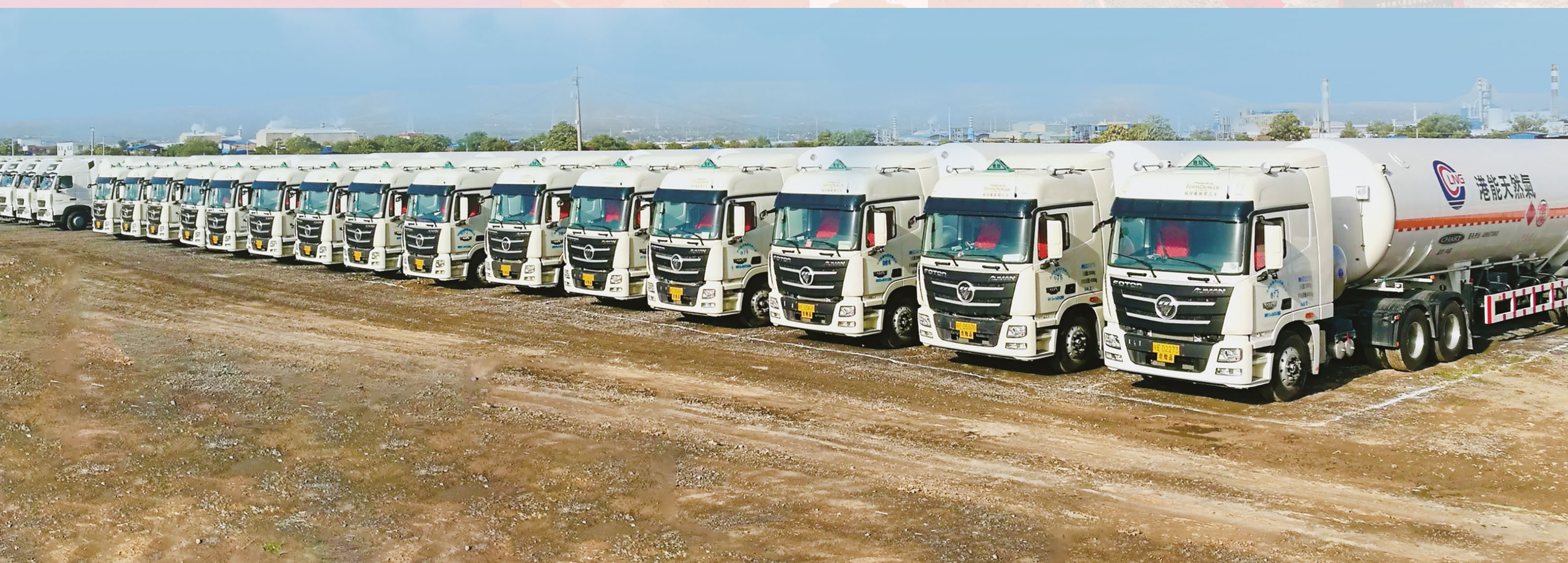
美麗鄉鎮　綠色先行

BEAUTIFUL TOWNS/ GREEN PRIORITY

2020/21 ANNUAL REPORT



Guangshui City Project　Fuliang County Project　Shaoyang County Project



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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Dr. Kan Che Kin, Billy Albert *(Chairman)*
Mr. Li Kai Yien, Arthur Albert

Non-Executive Directors

Mr. Simon Murray
Dr. Lam, Lee G.

Independent Non-Executive Directors

Mr. Li Siu Yui
Mr. Lam Lum Lee
Mr. Chow Ching Ning

AUDIT COMMITTEE

Mr. Li Siu Yui *(Chairman)*
Mr. Chow Ching Ning
Mr. Lam Lum Lee

REMUNERATION COMMITTEE

Mr. Li Siu Yui *(Chairman)*
Mr. Chow Ching Ning
Dr. Kan Che Kin, Billy Albert

NOMINATION COMMITTEE

Mr. Li Siu Yui *(Chairman)*
Mr. Chow Ching Ning
Dr. Kan Che Kin, Billy Albert

COMPANY SECRETARY

Dr. Kan Che Kin, Billy Albert

INDEPENDENT AUDITOR

PKF Hong Kong Limited

AUTHORISED REPRESENTATIVES

Dr. Kan Che Kin, Billy Albert
Mr. Li Kai Yien, Arthur Albert

PRINCIPAL BANKERS

Hang Seng Bank Limited
China Construction Bank (Asia) Corporation Limited
Hankou Bank Co., Ltd.

REGISTERED OFFICE

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

8/F, St. John's Building
33 Garden Road
Central, Hong Kong

PRINCIPAL SHARE REGISTRAR

Suntera (Cayman) Limited

HONG KONG BRANCH SHARE REGISTRAR

Tricor Standard Limited
Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong

WEBSITE

chinalng.todayir.com

STOCK CODE

931

Chairman's Statement

Dear Shareholders,

On behalf of the board of directors ("the Board") of China LNG Group Limited ("the Company"), I am pleased to announce annual results of the Company and its subsidiaries (collectively referred to as "the Group") for the year ended 31 March 2021.

In 2020, facing the harsh challenges from the COVID-19 pandemic, China's natural gas industry has shown its strong resilience and the dual circulation strategy, tax and fee reductions, and environmental policies have become the main driving force behind the growth of natural gas consumption. In 2020, China's natural gas consumption reached 323.8 billion m^3, representing a year-on-year growth of 5.5%; domestic gas production reached 188.6 billion m^3, representing a year-on-year growth of 8.4%. However, as affected by overseas transportation, the growth rate of imported natural gas was at a record low, with imported piped gas and LNG totaling 136.3 billion m^3, representing a slight year-on-year growth of 3.1%, which shows that the degree of reliance on external supply decreased temporarily.

In 2021, with the mass vaccination of COVID-19 vaccines, the full resumption of domestic production and living order as well as environmental protection policies, the growth of natural gas demand and growth rate will be significantly higher than that in 2020 and the growth of market demand is forecast to reach 8.6%. It is estimated that, by 2035, oil and gas resources will still dominate energy consumption, the development of natural gas and new energy development will greatly accelerate, the degree of later development's reliance on natural gas will continue to increase, and the price dividend brought by oversupply in the market will support the development and growth of natural gas refueling demand which is in line with the increasingly stringent environmental protection requirements in various parts of the country.

On 21 February 2021, the Communist Party's Central Committee released No. 1 Document of the Central Government in 2021 "Opinions of the State Council on Comprehensively Pushing forward Rural Revitalisation and Accelerating Modernisation of Agriculture and Rural Areas" (中共中央國務院關於全面推進鄉村振興加快農業農村現代化的意見), which pointed out that it is necessary to "strengthen the construction of rural public infrastructure, continue to focus on the construction of public infrastructure in the rural areas, and clearly proposed" to promote gas in the rural areas and support the construction of safe and reliable rural gas storage tank stations and micro-pipe network gas supply systems.

Residents in most rural areas in China still use scattered coal, firewood and bottled LPG as the main fuels, and therefore, the construction of the "gas network" is obviously lagging. Recognising that the construction and development of the gas network is relating to the rural energy revolution and environmental protection, the Group was the first to launch the rural micro-pipe network gas supply system, and the implementation of " jar-to-pipeline conversion" project in 2020 for needs for gas in rural area, contributing to building beautiful villages, improving the quality of life of residents, and upgrading rural gas and other infrastructure.

As early as 2018, the Group began to lay out its gasification business in rural areas, combined LNG clean energy supply centers with the construction of gasification townships and local pipeline networks, left behind the traditional pipeline form, quickly took over the rural market with the LNG Dewar bottles satellite station model and replaced the safety risks and environmental pollution caused by LPG with the advantages of safety, cleanliness and affordability. The Group has carried out the construction of beautiful country and improved the quality of life of farmers by implementing the concept of "beautiful country, green comes first", which has been highly recognized by local governments and has been promoted and applied in areas such as Guangshui in Hubei, Jingdezhen in Jiangxi, Liu'an in Anhui and Shaoyang in Hunan.

In 2021, the Group will continue to adjust its strategic planning so as to further optimize the layout of the entire LNG industry chain.

In the upstream LNG industry, the Group is a partner of Sinopec and CNOOC (the two oil companies usually account for over 80% of China's overseas LNG purchasing) and has established joint venture with them to secure upstream gas supply and cost advantage. It is expected that in 2021, the Group will leverage on the LNG coastal terminals of such oil company partners as well as its own international spot purchase to strengthen its absolute price advantage and stability.

Chairman's Statement

In the midstream of the LNG industry, the Group has the greatest number of LNG tank containers (1,275 containers) in the world and the largest fleet of LNG refilling trucks (300 trucks) in China, and established four major logistics bases, owning the largest LNG logistics and distribution system in China. The Group plans to acquire an additional 700 LNG transportation vehicles to provide full services to the joint ventures with oil enterprises and deepen cooperation in the green and high quality development strategy for LNG whole industry chain across the China. Based on the unique advantage of its self-owned LNG tank containers and fleet of LNG refilling trucks, the Group is also completing the procedures for the construction of LNG tank container stacking terminals at some of the receiving terminals along the inner channel of Yangtze River so as to usher in a new era of LNG river-sea combined transportation and storage.

In the downstream of the LNG industry, the Group has actively responded to the "14th Five-Year Plan" and the rural revitalization strategy of China by gradually accelerated building of LNG clean energy supply center, giving full play to its integrated functions of natural gas reserve peak shaving, local natural gas pipeline network LNG refilling, LNG vehicle refilling, LNG Dewar bottles filling, gasification townships, point-to-point industrial gas supply channels and LNG tank container transfer, etc. The Group breaks the traditional LNG sales method and sells LNG to end customers in various forms. The Group plans to invest in the construction of 20 LNG clean energy supply centers in Hubei, Hunan, Anhui and Jiangxi within three years, covering 6 million households.

Looking ahead, the Group is still full of confidence in China's natural gas industry. The Group will strive to play a key role in advancing China's natural gas industry by continuing to leverage its advantages in brand influence, resource strength and enterprise management capabilities in combination with the Group's market sensitivity and flexible mechanism, focusing on the development of the entire LNG industry chain, building a business layout of the entire LNG industry chain from upstream to downstream, integrating the resources of all parties and learning from others' strong points to offset its weakness to achieve mutual development

ACKNOWLEDGEMENTS

I would like to thank our management team and employees for enabling the Group to achieve its strategic transformation and sustain its growth. I also wish to express my sincere gratitude to our partners, customers, and in particular, our shareholders, for their continuing support and trust. As always, we will work hard to generate better returns for our shareholders and other interested parties.

Kan Che Kin, Billy Albert
Chairman

Hong Kong, 29 June 2021

OUTLOOK

While the Pandemic spread globally in 2020, countries around the world once again placed their hopes for economic recovery in the post-epidemic era on stepping up development efforts in green and low-carbon economies. Natural gas is the best choice for the transition to renewable energy. With the goal of carbon neutrality and peaking carbon dioxide emissions, the position of natural gas in China's energy system is undergoing profound changes.

Domestic natural gas consumption was only 193.2 billion cubic meters in 2015 but reached 323.8 billion cubic meters in 2020, a growth rate exceeding 67.60%. Under the co-catalysis of policy benefits and market demand, domestic natural gas consumption will enter a medium-to-high-speed growth stage during the "14th Five-Year Plan" period, and it is expected to achieve 450 billion cubic meters in 2025.

In 2020, the Group optimized its coverage of the whole LNG industrial chain. In the upstream of the industry, the Group has been actively deploying LNG receiving terminals in the Yangtze River (inner river) together with tank container storage terminals so as to make advancement in the international spot purchase business. In the midstream of the industry, the Group has built its own logistics distribution system, and intended to establish a joint venture company with a large state owned enterprise to fully undertake the distribution requirement of its few receiving terminals and nearly 1,000 refilling stations. In the downstream of the industry, in response to the 14th Five-Year Plan and the rural revitalization strategy of China, the Group has been actively building clean energy supply centers, and plans to invest in the construction of 20 LNG clean energy supply centers in Hubei, Hunan, Anhui and Jiangxi within three years, covering 6 million households.

With the in-depth reform of the domestic natural gas market and the implementation of the national rural revitalization strategy, the Group will leverage on the domestic natural gas policy, continue to penetrate into the sub-sectors of natural gas consumption, take the lead in occupying the high ground in the market through differentiated competition, and develop its coverage of the whole LNG industry chain and the construction of clean energy supply center projects. The natural gas business of the Group is expected to maintain healthy growth in 2021, and to generate favorable profit returns in the next three years.

China LNG Group has always been insisting on "tackling air pollution and improving the environment". Based on the philosophy of "increasing income and lowering cost to enhance efficiency", the Group continuously optimizes the organizational structure and staff as well as improving efficiency, in order to enhance the Group's comprehensive profitability and the core competitiveness of its talents.

Management Discussion and Analysis

BUSINESS REVIEW

SALES AND DISTRIBUTION OF LNG

Point-to-point supply of LNG (retail)

As of 31 March 2021, the Group had 69 enduser customers projects in operation (including 67 industrial point-to-point supply terminals and 2 refilling stations), recorded a LNG retail volume of 38,950 tons. The revenue of the Group related to enduser customers decreased from approximately HK$336,725,000 for the year ended 31 March 2020 to approximately HK$178,248,000 for the year ended 31 March 2021, representing a negative growth of 47.1% as compared with last year.

The primary reason for the negative growth was attributable to the re-integration and optimization of the Group's domestic business during the year, in which strategic re-organization was conducted in regions including Northern China, Central and Southern China, Eastern China and Northwest China, and shifting its main focus to investment and construction of large projects. After the further adjustment made during the year, the Group has gradually shifted to the development of large-scale projects with greater market scale and efficiency.

Wholesale of LNG (trade)

For the year ended 31 March 2021, the Group recorded a LNG wholesale volume of 98,080 tons, which was mainly supplied by LNG trucks. The Group recorded revenues related to the wholesale of LNG decreased from approximately HK$1,416,056,000 for the year ended 31 March 2020 to approximately HK$399,753,000 for the year ended 31 March 2021, representing a negative growth of 71.8% as compared with last year.

During the year, the Group adjusted its LNG wholesale business on focusing on the transactions with certain gross profit. As a result, the gross profit was increased compared to last year, when the revenue was decreased compared to last year.

Gas pipeline connection (township residential user)

For the year ended 31 March 2021, leveraged on the construction of clean energy supply centers, the Group has obtained township LNG urban gas franchises in 54 towns including Guangshui of Hubei, Jingdezhen of Jiangxi, Lu'an of Anhui and other regions, among which 2 township pipeline projects were preliminary completed the project constructions, providing natural gas services to 1,023 households and collecting pipeline connection fees of approximately HK$2,746,000 from residents.

Distribution of LNG (logistic)

For the year ended 31 March 2021, the Group's fleet comprised 235 LNG refilling trucks, 44 tail-lift trucks and 281 refilling tractor truck. The LNG transmission volume of the Group's LNG distribution fleet reached 251,212,115 ton-kilometres, recorded revenues related to the distribution of LNG increased from approximately HK$68,966,000 for the year ended 31 March 2020 to approximately HK$187,854,000 for the year ended 31 March 2021, representing a growth of 172.4% as compared with last year.

The primary reason for the growth was attributable to the adjustment in the direction of the Group's logistic business and the commencement of its pilot market operation, which resulted in a significant improvement in business revenue.

Sizable infrastructure projects

As at the year ended 31 March 2021, the Group had 16 sizable terminal projects under construction, which are: Hubei Huanggang South East Hubei Reserve Peak Shaving Center and Gasification Reverse Transmission Project (湖北黃岡鄂東南儲備調峰中心及氣化反輸項目), Hubei Guangshui Clean Energy Supply Center and Gasification and Township Project (湖北廣水清潔能源供應中心及氣化鄉鎮項目), Jiangxi Jingdezhen Clean Energy Supply Center and Gasification and Township Project (江西景德鎮清潔能源供應中心及氣化鄉鎮項目), Hunan Shaoyang Clean Energy Supply Center and Gasification and Township Project (湖南邵陽清潔能源供應中心及氣化鄉鎮項目), Anhui Lu'an Fenglukou Clean Energy Supply Center and Gasification and Township Project (安徽六安分路口清潔能源供應中心及氣化鄉鎮項目), Anhui Lu'an Guzhen Clean Energy Comprehensive Utilisation Project (安徽六安固鎮清潔能源綜合利用項目), Shaanxi Fuping Clean Energy Logistics and Trading Headquarters (陝西富平清潔能源物貿基地), Jiangxi Guangchang County Clean Energy Comprehensive Utilisation Project (江西廣昌縣清潔能源綜合利用項目), Hebei Province Gangzhong Gaoyi Reserve Project (河北省港眾高邑儲備庫項目), Hebei Gaoyi Haoyan Pipeline Network Project and Industrial Park Pipe Network Project (河北高邑鄗炎管網項目及工業園區管網項目), Handan Fuxing LNG Peak Shaving Reserve Project (邯鄲復興區 LNG 調峰儲備站項目), Hebei Chengde LNG Peak Shaving Reserve and Industrial Comprehensive LNG Utilisation Project (河北承德 LNG 調峰儲備與產業綜合利用項目), Hubei Guangshui Yangzhai Oil and Gas Station Project (湖北廣水楊寨油氣合建站項目), Hubei Guangshui Changling Oil and Gas Station Project (湖北廣水長嶺油氣合建站項目), Hunan Shaoyang Oil, Gas, Hydrogen and Electricity Station Project (湖南邵陽油氣氫電合建站項目) and Jiangxi Jingdezhen 206 National Highway Oil and Gas Station Project (江西景德鎮206國道油氣合建站項目).

Among them, Hubei Huanggang South East Hubei Reserve Peak Shaving Center and Gasification Reverse Transmission Project, Hubei Guangshui Clean Energy Supply Center and Gasification and Township Project, Jiangxi Jingdezhen Clean Energy Supply Center and Gasification and Township Project, Anhui Lu'an Fenglukou Clean Energy Supply Center and Gasification and Township Project and Anhui Lu'an Guzhen Clean Energy Comprehensive Utilisation Project have been completed and will enter into production and operation in the second half of 2021.

Finance leasing

During the year ended 31 March 2021, the Group had no new projects of finance leasing.

For the year ended 2021, the Group recorded approximately HK$5,830,000 of reversal of impairment of receivables under LNG finance lease arrangements and approximately HK$2,924,000 of reversal of impairment of LNG finance lease receivables.

As of 31 March 2021, both receivables under LNG finance lease arrangements and LNG finance lease receivables were none, as some of the finance leases were completed or fully impaired as at 31 March 2021.

Trading of securities

The Group conducts its trading of Hong Kong securities business through Key Fit Group Limited. During the year ended 31 March 2021, the Group did not carry out any securities trading.

Securities brokerage and investment advisory service

The Group conducts its securities brokerage business and investment advisory service through China Hong Kong Capital Asset Management Company Limited ("CHKCAML").

CHKCAML is registered as a licensed corporation under the Securities and Futures Commission of Hong Kong (the "SFC") to carry on Type 1 and Type 9 (Asset Management) regulated activities under the Securities and Futures Ordinance (the "SFO").

During the year, CHKCAML ceased its securities brokerage services and Type 1 license (Dealing in securities) was applying to return to SFC and waiting for SFC's formal approval. During the year ended 31 March 2021, the Group recorded interest income from securities margin financing of approximately HK$983,000.

Management Discussion and Analysis

Financial services

The Group conducts its financial services operation through its money lending business under the Money Lenders Ordinance in Hong Kong.

During the year ended 31 March 2021, all the loans granted under money lending business of the Group were secured loans and were funded by internal resources. The Group recorded an impairment loss on loan receivables of approximately HK$5,084,000 (2020: impairment loss of approximately HK$63,221,000).

FINANCIAL REVIEW

This year is full of opportunities and challenges. The gross turnover and loss attributable to the shareholders for the year ended 31 March 2021 are approximately HK$775,235,000 and HK$82,264,000 (2020: approximately HK$1,857,438,000 and HK$252,203,000) respectively, representing a decrease of 58.3% and decrease of 67.4% respectively as compared to the year ended 31 March 2020. Loss per share decreased by 67.3% to HK$1.46 cents.

Revenue

Revenue decreased by approximately 58.3% from approximately HK$1,857,438,000 for the year ended 31 March 2020 to approximately HK$775,235,000 for the year ended 31 March 2021.

Revenue derived from sales and distribution of LNG (including point-to-point supply of LNG and wholesale of LNG) decreased by approximately 66.9% from approximately HK$1,752,781,000 for the year ended 31 March 2020 to approximately HK$580,747,000 for the year ended 31 March 2021, mainly due to i) the Group has gradually shifted to the development of large-scale projects with greater market scale and efficiency; and ii) during the year, the Group adjusted its LNG wholesale business on focusing on the transactions with certain gross profit.

Revenue derived from providing the logistic service for distribution of LNG (logistic) increased by 172.4% from approximately HK$68,966,000 for the year ended 31 March 2020 to approximately HK$187,854,000 for the year ended 31 March 2021, mainly due to the adjustment in the direction of the Group's logistic business and the commencement of its pilot market operation, which resulted in a significant improvement in logistic business revenue.

Revenue derived from provision of finance leasing services for LNG vehicles and equipment decreased by approximately 84.9% from approximately HK$13,213,000 for the year ended 31 March 2020 to approximately HK$1,993,000 for the year ended 31 March 2021, mainly due to no new finance was granted and some of the leases had completed during the year.

No revenue was derived from trading of securities for the year ended 31 March 2021 (2020: Nil).

Revenue derived from provision of securities brokerage, bond placing, margin financing and securities investment business decreased by 83.9% from approximately HK$6,099,000 for the year ended 31 March 2020 to approximately HK$983,000 for year ended 31 March 2021, as the Group ceased its securities brokerage business during the year.

Revenue derived from financial services through provision of money lending business decreased by 77.7% from approximately HK$16,379,000 for the year ended 31 March 2020 to approximately HK$3,658,000 for the year ended 31 March 2021, mainly due to the Group was reduced some client's interest rate.

Other income and other gains and losses

Other income and other gains and losses, net gain decreased by 46.8% from net gain of approximately HK$1,009,000 for the year ended 31 March 2020 to net gain of approximately HK$537,000 for the year ended 31 March 2021, mainly due the loss on deregistration of associates.

Selling and distribution expenses

Selling and distribution expenses decreased by approximately 43.4% from approximately HK$19,470,000 for the year ended 31 March 2020 to approximately HK$11,026,000 for the year ended 31 March 2021, mainly due to the decrease of revenue of LNG wholesale and retail business for the year ended 31 March 2021 compared with last year.

Administrative expenses

Administrative expenses was slightly increased from approximately HK$116,682,000 for the year ended 31 March 2020 to approximately HK$117,158,000 for the year ended 31 March 2021.

Finance costs

Finance costs decreased by 76.1% from approximately HK$32,693,000 for the year ended 31 March 2020 to approximately HK$7,798,000 for the year ended 31 March 2021, the reason was that the shareholder, Dr. Kan Che Kin Billy Albert ("Dr. Kan"), waived the interest incurred from 1 April 2020 to 31 March 2021 (1 year), of the outstanding loan owed to him by the Group. The total amount of interest waived by Dr. Kan was approximately HK$24,075,000 for the year.

Income tax credit/expense

Income tax credit was approximately HK$4,306,000 for the year ended 31 March 2021 (2020: income tax expenses of approximately HK$2,218,000). The tax credit recorded this year was mainly due to overprovision in prior years of some subsidiaries in Hong Kong.

LIQUIDITY, FINANCIAL RESOURCES AND FUNDING

The Group had total cash and bank balances of approximately HK$68,420,000 as at 31 March 2021 (2020: approximately HK$50,031,000). As at 31 March 2021, bank and other borrowings of the Group amounted to approximately HK$593,702,000 (2020: approximately HK$613,600,000), which include bank borrowings of approximately HK$76,882,000 (2020: approximately HK$63,336,000), loans from a shareholder of approximately HK$434,981,000 (2020: approximately HK$468,781,000), loans from third parties of approximately HK$2,129,000 (2020: approximately HK$1,966,000) and lease liabilities of approximately HK$79,710,000 (2020: HK$79,517,000). The bank borrowings bear interest rate at range of Loan Prime Rate* + 1% to 2.15%. The Group's gearing ratio is calculated as net debt divided by total equity was 236% as at 31 March 2021 (2020: 218%). Net debt is calculated as bank and other borrowings, accounts payables, other payables and accruals, lease liabilities and loans from a shareholder less bank balances and cash. Net debts were approximately HK$1,073,593,000 as at 31 March 2021 (2020: Net debts of approximately HK$1,115,425,000). The Group recorded total current assets value of approximately HK$406,350,000 as at 31 March 2021 (2020: approximately HK$462,514,000) and total current liabilities value of approximately HK$628,275,000 as at 31 March 2021 (2020: approximately HK$654,142,000). The current ratio of the Group, calculated by dividing the total current assets value by the total current liabilities value, was approximately 0.65 as at 31 March 2021 (2020: approximately 0.71). The current ratio continues to maintain a healthy condition. Currently, the Group's operating and capital expenditures are mainly financed by cash generated from operation, internal liquidity, bank borrowings and fund advanced from the controlling shareholder.

* The loan prime rate is based on the best loan rate quotations of commercial banks in Mainland China, which is authorised and published by the National Interbank Funding Centre on each business day.

Management Discussion and Analysis

DIVIDEND

The Directors do not recommend the payment of a final dividend for the year ended 31 March 2021 (2020: Nil).

RISK MANAGEMENT

The Group's principal financial instruments include loan receivables, receivables under LNG finance lease arrangements, LNG finance lease receivables, accounts and other receivables and bank balances and cash. The main purpose of these financial instruments is to support the Group's LNG business, trading of securities business, securities investments business and money lending business. We also have various financial assets and financial liabilities arising from our business operations. The principal risks arising from our financial instruments are foreign currency risk, credit risk, liquidity risk and interest rate risk. We intend to achieve an appropriate balance between these risks and the investment returns so as to minimise the potential adverse impact on our business and financial condition.

Foreign currency risk

Transactions of the Group were mainly denominated in Hong Kong dollars, Renminbi and United States dollars. In view of the stability of the exchange rate between these currencies, the directors of the Company did not consider that the Group was significantly exposed to foreign exchange risk for the year. The Group manages its foreign exchange risk by performing regular reviews of the Group's net foreign exchange exposures and to mitigate the impact on exchange rate fluctuations by entering into currency hedge arrangements, if necessary. During the years ended 31 March 2021 and 2020, no forward foreign exchange or hedging contracts had been entered into by the Group. The Group will continue to evaluate the Group's foreign currency risks and take actions as appropriate.

Liquidity risk

Liquidity risk is the risk that funds will not be available to meet liabilities as they fall due. This may arise from mismatches in amounts or time with regard to the maturity of financial assets and liabilities. Our Group manages its liquidity risk through regular monitoring with the following objectives: maintaining the stability of the Group's principal businesses, timely monitoring cash and bank position, projecting cash flows and evaluating the level of current assets to ensure liquidity of the Group.

TREASURY POLICIES

Bank balance and cash held by the Group were denominated in Hong Kong dollars, Renminbi and United States dollars. The Group currently does not have a foreign currency and interest rate hedging policy. However, the management of the Group monitored foreign currency and interest rate exposure from time to time and would consider hedging significant foreign currency and interest rate exposure should the need arise.

MATERIAL DISPOSALS OF SUBSIDIARIES

(a) On 8 December 2020, CLNG Natural Gas Co., Ltd.* (港能天然氣有限責任公司), an indirect wholly-owned subsidiary of the Company and Hebei Luye Hengtian Natural Gas Sales Co., Ltd.* (河北綠野恆天天然氣銷售有限公司) ("Hebei Luye Hengtian") entered into a sale and purchase agreement, pursuant to which the subsidiary has conditionally agreed to sell and Hebei Luye Hengtian has conditionally agreed to purchase 70% equity interests in Hebei Ganglai Natural Gas Co., Ltd.* (河北港涞天然氣有限公司) ("Hebei Ganglai") at a total consideration of RMB3,000,000.

After the completion of the disposal of the 70% interest in Hebei Ganglai on 14 December 2020, Hebei Ganglai ceased to be a subsidiary of the Group.

(b) On 1 July 2020, CLNG Natural Gas Co., Ltd.* (港能天然氣有限責任公司), an indirect wholly- owned subsidiary of the Company and Xi'an Sisheng Energy Technology Co., Ltd.* (西安思晟能源技術有限公司) ("Xi'an Sisheng") entered into a sale and purchase agreement, pursuant to which the subsidiary has conditionally agreed to sell and Xi'an Sisheng has conditionally agreed to purchase 51% equity interests in Shaanxi Gangneng Natural Gas Co., Ltd.* (陝西港能天然氣有限公司) ("Shaanxi Gangneng") at a total consideration of RMB150,000.

After the completion of the disposal of the 51% interest in Shaanxi Gangneng on 6 August 2020, Shaanxi Gangneng ceased to be a subsidiary of the Group.

CAPITAL COMMITMENT

As at 31 March 2021, the total capital commitments by the Group amounted to approximately HK$359,768,000 (2020: approximately HK$317,731,000), which were mainly contracted commitments in respect of project construction and purchase of machinery and equipment.

CONTINGENT LIABILITIES

The Group had no significant contingent liabilities as at 31 March 2021 (2020: Nil).

STAFF AND REMUNERATION POLICIES

Human resources are our greatest assets. The Group always attaches great importance to the personal development of our employees. The Group believes that maintaining employees' passion and enthusiasm is the key to its continuous success and future development. Therefore, the Group has always emphasized the importance of talent cultivation and recruitment. The Group allocates resources in regular training and other development courses for employees to enhance their technical and product knowledge as well as management skills. As at 31 March 2021, the Group had a total of 779 employees (2020: 878 employees), of which 76 were administrative staff and operating staff; 467 were LNG truck drivers; 109 were technical staff; 90 were managerial staff and the remaining 37 were marketing staff. The Group offers competitive remuneration packages to our employees. The Group determined remuneration of employees mainly based on the industry practice, individual's performance and experience. Apart from the basic remuneration, discretionary bonus and share options may be granted to eligible employees with reference to the Group's performance as well as individual's performance.

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

Neither the Company nor any of its subsidiaries purchased or sold or redeemed any of the Company's listed securities during the year ended 31 March 2021.

AUDIT COMMITTEE

The principal responsibilities of the audit committee of the Company (the "Audit Committee") include the review and supervision of the Group's financial reporting process, risk management and internal controls. The Group's consolidated financial statements for the year ended 31 March 2021 have been reviewed by the Audit Committee and audited by the Company's external auditor, PKF Hong Kong Limited. The Audit Committee currently comprises three independent non-executive Directors, namely Mr. Li Siu Yui, Mr. Chow Ching Ning and Mr. Lam Lum Lee.

Biographical Details of Directors

EXECUTIVE DIRECTORS

Dr. Kan Che Kin, Billy Albert ("Dr. Kan")

Dr. Kan, aged 69, was appointed as an executive Director, the chairman and the chief executive officer of the Company in May 2013. Dr. Kan graduated from the University of East Anglia in the United Kingdom with a Bachelor of Science degree. Dr. Kan further received a degree of Doctor of Civil Law honoris causa from the University of East Anglia in July 2016. Dr. Kan is a fellowship member of the Institute of Chartered Accountants in England and Wales, the Hong Kong Institute of Certified Public Accountants and a fellow of the Hong Kong Securities Institute. Dr. Kan had worked with Deloitte Touche Tohmatsu and KPMG and is equipped with extensive experience in accounting, taxation and corporate finance. In addition, Dr. Kan has over 30 years of experience in serving on the board of directors of financial institutions and listed companies in Hong Kong, including Security Pacific Credit Hong Kong Limited (a subsidiary of Security Pacific National Bank, taken over by Bank of America then by China Construction Bank), Burlingame International Company Limited (now renamed as EverChina Int'l Holdings Company Limited) (stock code: 202) and Warderly International Holdings Limited (now renamed as Fullshare Holdings Limited) (stock code: 607). Dr. Kan resigned as a director of EverChina Int'l Holdings Company Limited in September 2000 and of Fullshare Holdings Limited in December 2013. Dr. Kan is also a director of several wholly-owned subsidiaries of the Company. Mr. Li Kai Yien, Arthur Albert is a nephew of Dr. Kan.

Mr. Li Kai Yien, Arthur Albert ("Mr. Li")

Mr. Li, aged 48, was appointed as an executive Director in October 2007. Mr. Li graduated from University of Southern California with a Bachelor of Science degree in 1995. Mr. Li has been a Certified Public Accountant since 2001 and has more than 17 years' experience in accounting and securities dealing. Mr. Li is currently a dealer representative of Phillip Securities (HK) Ltd. Mr. Li is a nephew of Dr. Kan.

NON-EXECTIVE DIRECTORS

Mr. Simon Murray ("Mr. Murray")

Mr. Murray, aged 81, was appointed an independent non-executive Director of the Company on 23 October 2014 and re-designated as a non-executive Director on 02 April 2015.

Mr. Murray founded the private equity fund management company General Enterprise Management Services Limited in 1998 and is currently the Chairman of their Advisory Board. He is a non-executive director of Greenheart Group Limited (Stock Code: 94), Wing Tai Properties Limited (Stock Code: 369) and Spring Asset Management Limited, the manager of Spring Real Estate Investment Trust (Stock Code: 1426), all of which are companies listed on the Hong Kong Stock Exchange.

Mr. Murray was an executive director of Hutchison Whampoa Limited (Stock Code: 13) and has previously acted as an independent non-executive director of Cheung Kong Property Holding Limited (now renamed as CK Asset Holdings Limited) (Stock Code: 1113). He was also the Executive Chairman of Deutsche Bank AG Asia Pacific and a non-executive director of Compagnie Financière Richemont SA (Stock Code: CFR), a company listed on the Swiss Stock Exchange, and now serves on their Advisory Board.

Mr. Murray was appointed a Commander of The Most Excellent Order of the British Empire (CBE) and a Chevalier within the Ordre national du Mérite of the French Republic (Chevalier de La Legion d'Honneur).

Mr. Murray holds an Honorary Degree in Law from Bath University and attended the Stanford Executive Program in the United States.

Biographical Details of Directors

Dr. Lam, Lee G. ("Dr. Lam")

Dr. Lam, aged 62, was appointed as a Non-Executive Director in April 2015. Dr. Lam earlier served as an Independent Non- Executive Director from October 2014 to April 2015. Dr. Lam is Chairman of Hong Kong Cyberport, a member of the Committee on Innovation, Technology and Re-Industrialization, the Governance Committee of the Hong Kong Growth Portfolio, and the Development Bureau Common Spatial Data Advisory Committee of the Hong Kong Special Administrative Region Government, Convenor of the Panel of Advisors on Building Management Disputes of the HKSAR Government Home Affairs Department, a member of the Court of the City University of Hong Kong and the Tencent Finance Academy (Hong Kong) Advisory Board, Chairman of the United Nations Economic and Social Commission for Asia and the Pacific (UN ESCAP) Sustainable Business Network (ESBN), Vice Chairman of Pacific Basin Economic Council (PBEC), and a member of the Hong Kong Trade Development Council Belt and Road and Greater Bay Area Committee and the Sir Murray MacLehose Trust Fund Investment Advisory Committee.

Dr. Lam holds a BSc in sciences and mathematics, an MSc in systems science and an MBA from the University of Ottawa in Canada, an LLB (Hons) in law from Manchester Metropolitan University in the UK, a LLM in law from the University of Wolverhampton in the UK, an MPA and a PhD from the University of Hong Kong. A former member of the Hong Kong Bar, Dr. Lam is a Solicitor of the High Court of Hong Kong, an Accredited Mediator of the Centre for Effective Dispute Resolution (CEDR), a Fellow of Certified Management Accountants (CMA) Australia, the Hong Kong Institute of Arbitrators, the Hong Kong Institute of Directors and the Institute of Corporate Directors Malaysia (ICDM) and an Honorary Fellow of Certified Public Accountants (CPA) Australia, the Hong Kong Institute of Facility Management and the University of Hong Kong School of Professional and Continuing Education. In 2019, Dr. Lam was awarded by the Hong Kong Government a Bronze Bauhinia Star for serving the public.

Dr. Lam is currently an independent non-executive director of each of CSI Properties Limited (Stock Code: 497), Vongroup Limited (Stock Code: 318), Mei Ah Entertainment Group Limited (Stock Code: 391), Elife Holdings Limited (Stock Code: 223), Haitong Securities Company Limited (Stock Code: 6837, 600837 on the Shanghai Stock Exchange), Hang Pin Living Technology Company Limited (Stock Code: 1682), Kidsland International Holdings Limited (Stock Code: 2122), and Greenland Hong Kong Holdings Limited (Stock code: 337), and a non-executive director of each of Sunwah Kingsway Capital Holdings Limited (Stock Code: 188), China LNG Group Limited (Stock Code: 931), National Arts Entertainment and Culture Group Limited (Stock Code: 8228), Tianda Pharmaceuticals Limited (Stock Code: 455), Mingfa Group (International) Company Limited (Stock Code: 846, re-designated from independent non-executive director on 23 April 2020) and Hong Kong Aerospace Technology Group Limited (fka: Eternity Technology Holdings Limited, Stock Code: 1725), the shares of all of which are listed on the Stock Exchange. Dr. Lam is also an independent non-executive director of Asia-Pacific Strategic Investments Limited (fka: China Real Estate Group Limited, Stock code: 5RA), Top Global Limited (Stock Code: BHO), Alset International Limited (fka: Singapore eDevelopment Limited, Stock Code: 40V, re-designated from non-executive director on 2 July 2020), Beverly JCG Limited (fka: JCG Investment Holdings Ltd., Stock Code: VFP), and Thomson Medical Group Limited (Stock Code: A50), the shares of all of which are listed on the Singapore Exchange. Dr. Lam is an independent non-executive director of AustChina Holdings Limited (Stock Code: AUH), whose shares are listed on the Australian Securities Exchange and TMC Life Sciences Berhad (Stock Code: 0101), whose shares are listed on the Bursa Malaysia, and a non-executive director of Jade Road Investments Limited (fka: Adamas Finance Asia Limited, Stock Code: JADE), whose shares are listed on the London Securities Exchange.

In the past three years, Dr. Lam was a non-executive director of China Shandong Hi-Speed Financial Group Limited (stock code: 412) up to 14 May 2020 and Green Leader Holdings Group Limited (stock code: 0061) up to 22 July 2019, and was also an independent non-executive director of Aurum Pacific (China) Group Limited (stock code: 8148) up to 1 March 2021, Huarong Investment Stock Corporation Limited (stock code: 2277, privatized on 12 November 2020) up to 31 December 2020, Hsin Chong Group Holdings Limited (stock code: 404) up to 27 September 2019 (the shares of which were delisted on the Stock Exchange in December 2019), Glorious Sun Enterprises Limited (stock code: 393) up to 31 August 2019, Xi'an Haitiantian Holdings Co., Ltd. (stock code: 8227) up to 23 July 2018, the shares of all of which are listed on the Stock Exchange. He was also an independent non-executive director of Singapore Exchange listed company, Rowsley Ltd. (stock code: A50, retired 25 April 2018), and Stuttgart Stock Exchange listed company, Vietnam Equity Holding (stock code: 3MS) up to 28 February 2018 and Sunwah International Limited (Stock Code: SWH), whose shares are listed on the Toronto Stock Exchange up to June 2021.

Biographical Details of Directors

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Li Siu Yui ("Mr. Li")

Mr. Li Siu Yui, aged 51, was appointed as an independent non-executive Director in October 2007. He holds a Master's degree in Business Administration from University of Wales. He has over 20 years' experience in the area of investment. He is now a licensed representative of the Securities Regulatory Commission. He was working in securities companies during the period from 1997 to 2002. Afterward, he has been engaged as an investment manager in two private companies.

He has been an independent non-executive Director of Jia Meng Holdings Limited from Jul 2017 to Jan 2020 (now renamed as EJE (Hong Kong) Holdings Limited) (Stock Code:8101). He was also an independent non-executive Director of Warderly International Holdings Limited (now renamed as Fullshare Holdings Limited) (stock code: 607) from June 2008 to December 2013.

Mr. Chow Ching Ning ("Mr. Chow")

Mr. Chow Ching Ning, aged 53, was appointed as an independent non-executive Director in September 2019. Mr. Chow was born in Hong Kong, grew up in Singapore where he had lived for over 8 years. He obtained a Bachelor degree (Hons) in Business Studies from the Hong Kong Polytechnic University and is a CFA Charterholder and a CPA (Fellow member) of the Hong Kong Institute of Certified Public Accountants (HKICPA). Mr. Chow has over 20 years of investment experience and is currently a Managing Partner with Radiant Tech Ventures, a HK-based venture fund manager that invests in technology-empowered sectors such as fintech, e/m-commerce, healthcare, smart cities, etc across various geographical markets: Hong Kong/China, Israel and South East Asia. Radiant Tech Ventures is a HK SFC-licensed asset management company and upholds the highest standard of corporate governance and business ethics and it is one of the six selected Co-Investment Partners of the HK SAR Government, through the ITVF scheme in 2018. Mr. Chow is a Type 9 licensed RO in Hong Kong.

Mr. Chow has been an independent non-executive Director of SinoSun Technology Co. Ltd., a company listed in Shenzhen Stock Exchange (SHE stock code: 30033) from April 2017 to May 2020. He is now also an INED of Shanshan Brand Management Co Ltd (杉杉品牌運營股份有限公司) (HKEx: 01749)starting from 4 June 2021.

Mr. Lam Lum Lee ("Mr. Lam")

Mr. Lam, aged 75, was appointed as an independent non-executive Director in May 2015. Mr. Lam, is currently chairman of China Information Industry Association (中華信息產業聯合會) and chairman of China Culture & Education Foundation (中華文化教育基金會). He was a committee member of Hong Kong Vocational Training Council of Electronic and Telecommunication Division (香港職業訓練局通訊及電子委員會), the president of Hong Kong Critical Components Manufacturers Association (香港關鍵性零部件製造業協會), the vice chairman of Hong Kong Electronic Technology Association (香港電子科技商會), and a director of Hong Kong Optoelectronic Association (香港光電子協會).

CORPORATE GOVERNANCE CODE

The Company is committed to maintaining a high standard of corporate governance. It believes that high standards of corporate governance provide a framework and solid foundation for the Group to manage business risks, enhance transparency, maintain high standards of accountability and protect interests of shareholders of the Company and other stakeholders.

The Company has complied with the code provisions of the Corporate Governance Code during the year except for the following deviations:

1. Under the Code Provision A.2.1, the roles of chairman and chief executive officer should be separate. The positions of chairman and chief executive officer of the Company have been held by Dr. Kan during the year. The Board believes that holding of both positions of chairman and chief executive officer by the same person allows more effective planning and execution of business strategies. The Board has full confidence in Dr. Kan and believes that his dual roles will be beneficial to the Group.

2. Under the Code Provisions A.4.1 and A.4.2, non-executive Director should be appointed for a specific term and each Director should be subject to retirement by rotation at least once every three years. The existing independent non-executive Directors and non-executive Directors are not appointed for specific terms but are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the articles of association (the "Articles of Association") of the Company at least once every three years.

3. Under the Code Provision A.6.7, independent non-executive directors and other non-executive directors should attend general meetings and develop a balanced understanding of the views of shareholders. One of the non-executive directors, Mr. Simon Murray was unable to attend the general meetings held on 27 August 2020 as he had other business engagement. However, he subsequently requested the company secretary of the Company to report to him on the views of the Shareholders in the general meeting. As such, the Board considers that the development of a balanced understanding of the views of Shareholders among the non-executive Directors and independent non-executive Directors was ensured.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

Having made specific enquiry of all Directors, they have confirmed that they complied with the required standards as set out in the Model Code during the year ended 31 March 2021.

BOARD OF DIRECTORS

The Board currently comprises seven Directors, with two executive directors, two non-executive directors and three independent non-executive directors. The composition of the Board during the year is set out as follows:

Executive Directors

Dr. Kan Che Kin, Billy Albert *(Chairman)* (Note 1)
Mr. Li Kai Yien, Arthur Albert (Note 1)

Non-Executive Directors

Mr. Simon Murray
Dr. Lam, Lee G.

Independent Non-Executive Directors

Mr. Li Siu Yui
Mr. Chow Ching Ning
Mr. Lam Lum Lee

Note 1 Mr. Li Kai Yien, Arthur Albert is the nephew of Dr. Kan.

The Board is responsible for approving and monitoring the Group's strategies, policies and business plans, revaluating the performance of the Group and supervising the work of management. The management is responsible for the daily operations of the Group including the preparation of annual and interim accounts for Board approval before publication, execution of business strategies and initiatives adopted by the Board, implementation of adequate systems of internal controls and risk management procedures, and ensuring compliance in accordance with the relevant statutory requirements and rules and regulations.

Throughout the year and up to the date of this report, the Company has complied with the requirements under Rules 3.10(1) and (2) of the Listing Rules that requires every board of directors of a listed issuer must include at least three independent non-executive Directors and at least one of the INEDs must have appropriate professional qualifications or accounting or related financial management expertise.

For a Director to be considered independent, the Board must determine that the Director does not have any direct or indirect material relationship with the Group. The Board follows the requirements set out in the Listing Rules to determine the independence of Directors. The Company has received from each of the INEDs an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules and considers the INEDs are independent.

The INEDs are not appointed for specific terms but are subject to retirement by rotation and re-election in accordance with the Articles of Association at least once every three years

Corporate Governance Functions

The Board as a whole is responsible for performing the corporate governance duties including:

(a) to develop and review the Company's policies and practices on corporate governance;

(b) to review and monitor the training and continuous professional development of directors and senior management;

(c) to review and monitor the Company's policies and practices in compliance with legal and regulatory requirements;

(d) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and directors; and

(e) to review the Company's compliance with the code and disclosure in the Corporate Governance Report.

The Directors acknowledge the need to continue to develop and refresh their knowledge and skills for making contributions to the Company. Each newly appointed Director would receive an induction package covering the Group's businesses and the statutory and regulatory obligations of a director of a listed company. The Group also provides briefings to develop and refresh the Directors' knowledge and skills. The Group continuously updates Directors on the latest developments regarding the Listing Rules and other applicable regulatory requirements, to ensure compliance and enhance their awareness of good corporate governance practices. Circulars or guidance notes are issued to Directors and senior management where appropriate, to ensure awareness of best corporate governance practices. According to the training records provided to the Company by the individual Directors, the Directors have read journals, regulatory updates and/or attended external seminars and programmes with appropriate emphasis on the roles, functions and duties of a director of a listed company during the year.

The roles of the chairman and the chief executive officer were both held by Dr. Kan during the year. The Board believes that holding of both positions of chairman and chief executive officer by the same person allows more effective planning and execution of business strategies.

BOARD DIVERSITY POLICY

The Board has adopted a board diversity policy (the "Board Diversity Policy") on 1 September 2013 which sets out the approach to achieve diversity on the Board. A summary of this policy together with the measureable objectives set for implementing the Board Diversity Policy, and the progress made towards achieving those objectives are disclosed below.

Summary of the Board Diversity Policy

The Company recognises and embraces the benefits of having a diversed Board to enhance the quality of its performance. When determining the composition of the Board, the Company will consider board diversity in terms of, among other things, age, experience, cultural and educational background, expertise, skills and know-how. All Board appointments will be based on merits, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

Measurable Objectives

Selection of candidates for Board membership will be based on a range of diversity perspectives, including but not limited to age, experience, cultural and educational background, expertise, skills and know-how.

Monitoring and Reporting

The nomination committee of the Company (the "Nomination Committee") will review, as appropriate, to ensure the effectiveness of the Board Diversity Policy and monitor the implementation of this policy. The Nomination Committee will discuss any revisions that may be required, and recommend any such revisions to the Board for consideration and approval.

A copy of the Board Diversity Policy has been published on the Stock Exchange's website for public information.

REMUNERATION COMMITTEE

The remuneration committee of the Company (the "Remuneration Committee") consists of one executive Director and two independent non-executive Directors and its members during the year were:

Mr. Li Siu Yui *(Chairman)*
Mr. Chow Ching Ning
Dr. Kan Che Kin, Billy Albert

The Remuneration Committee is responsible for ensuring formal and transparent procedures for developing remuneration policies to all Directors and the senior management, to review and approve the management's proposals with reference to the Board's corporate goals and objectives, to determine the remuneration packages of individual executive Directors and senior management, including benefits-in-kind, pension rights and compensation payments, and to make recommendation to the Board on the remuneration of the non-executive Directors.

In developing remuneration policies and making recommendation as to the remuneration of the Directors and senior management, the Remuneration Committee takes into account the performance of the Group as well as individual Directors and senior management.

The terms of reference of the Remuneration Committee, which described its authority and duties, are available on the Company's website.

No Directors can determine their own remuneration package. During the year, the Remuneration Committee held one meeting. Matters considered at the meeting included revision of the compensation payable to all Directors and senior management of the Group and recommendation to the Board on the Group's remuneration policy and structure.

The remuneration of the members of the senior management of the Group (including executive directors of the Company) by band for the year ended 31 March 2021 is set out below:

Remuneration bands	Number of persons
Nil to HK$1,000,000	6
HK$3,000,001 to HK$3,500,000	1

Directors' emoluments comprise payments (includes share based payments) to the Directors by the Group in connection with the management of the affairs of the Group and other benefits. Further particulars regarding directors' remuneration and the five highest paid employees are shown in notes 7 and 8 to the consolidated financial statements.

AUDIT COMMITTEE

The Audit Committee was formed to review and supervise the financial reporting process, risk management and internal control of the Company. The Audit Committee comprises solely the three INEDs, Mr. Chow Ching Ning possess the appropriate professional qualifications, business and financial experience and skills. The Audit Committee members during the year were:

Mr. Li Siu Yui *(Chairman)*
Mr. Chow Ching Ning
Mr. Lam Lum Lee

The Audit Committee is required, amongst other things, to oversee the relationship with the external auditors, to review the Group's interim and annual results, to review the scope, extent and effectiveness of risk management and internal control of the Group, to review accounting policies and practices adopted by the Group, to engage independent legal or other advisers as it determine is necessary and to perform investigations.

The terms of reference of the Audit Committee, which described its authority and duties, are available on the Company's website.

During the year, the Audit Committee held two meetings. Matters considered at the meetings included revision of the Group's 2020 annual results, 2020/21 interim result, recommendation for appointment of Auditor, the fees for engaging the external auditors to provide the audit for the year 2020/21, the independence of the external auditors, the fees for non-audit services, the Company's financial control, internal control and risk management system, accounting and finance matters.

NOMINATION COMMITTEE

The Company has established the Nomination Committee in October 2007. The Nomination Committee consists of one executive Director and two independent non-executive Directors and its members during the year were:

Mr. Li Siu Yui *(Chairman)*
Mr. Chow Ching Ning
Dr. Kan Che Kin, Billy Albert

The Nomination Committee has established formal procedures for the appointments of new Directors and re-nomination and re-election of Directors. In nominating candidates for appointment of Directors, the Nomination Committee will consider their necessary expertise and experience. The Nomination Committee held one meeting during the year. Matters considered at the meeting included revision of the structure, size and composition of the Board, qualifications for all Directors and senior management of the Group and independence of the independent non-executive Directors.

The terms of reference of the Nomination Committee, which described its authority and duties, are available on the Company's website.

DIRECTORS' ATTENDANCE AT BOARD, REMUNERATION COMMITTEE, NOMINATION COMMITTEE AND AUDIT COMMITTEE MEETINGS AND GENERAL MEETINGS

	Attendance/Number of meetings held during the year				
Directors	**Board meeting**	**Audit Committee meeting**	**Remuneration Committee meeting**	**Nomination Committee meeting**	**Annual general meeting**
Executive Directors					
Dr. Kan Che Kin, Billy Albert *(Chariman)*	4/4	N/A	1/1	1/1	1/1
Mr. Li Kai Yien, Arthur Albert	4/4	N/A	N/A	N/A	1/1
Non-Executive Directors					
Mr. Simon Murray	4/4	N/A	N/A	N/A	0/1
Dr. Lam, Lee G.	4/4	N/A	N/A	N/A	1/1
Independent Non-Executive Directors					
Mr. Li Siu Yui	4/4	2/2	1/1	1/1	1/1
Mr. Chow Ching Ning	4/4	2/2	1/1	1/1	1/1
Mr. Lam Lum Lee	4/4	2/2	N/A	N/A	1/1

AUDITOR'S REMUNERATION

For the year ended 31 March 2021, the fee paid/payable to the Group's external auditor, PKF Hong Kong Limited, for the audit services was HK$862,500. The non-audit services paid/payable to other firms for taxation services was HK$30,500. In considering the re-appointment of the external auditor, the Audit Committee has taken into consideration their relationship with the Company and their independence in the provision of non-audit services. Based on the results of the review and after taking into account the opinion of the management of the Group, the Audit Committee recommended the Board to re-appoint PKF Hong Kong Limited as the external auditor of the Company for the year ending 31 March 2022, subject to approval by the Shareholders at the forthcoming annual general meeting to be held on 31 August 2021. There is no former partner of the existing firm auditing the accounts of the Company acting as a member of the Audit Committee within one year commencing on the date of his ceasing to be a partner of the firm. In addition, the Audit Committee is of the view that the auditor's independence is not affected by the non-audit services rendered.

INTERNAL CONTROL

During the year ended 31 March 2021, the Board through the Audit Committee, has conducted a review of the effectiveness of the system of internal control of the Group to ensure that a sound internal control system is maintained and operated by the management in compliance with the agreed procedures and standards. The review has covered all material aspects of internal control including financial, operational and compliance controls and risk management functions of the Group.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the audited consolidated financial statements of the Group for the year ended 31 March 2021. The Directors ensure that the audited consolidated financial statements of the Group for the year ended 31 March 2021 have been properly prepared in accordance with the statutory requirements and applicable accounting standards. A report of the independent auditor of the Group is set out on pages 45 to 49 of this annual report.

COMPANY SECRETARY

Dr. Kan Che Kin Billy Albert is the company secretary of the Company, his biography is set out in the section entitled "Biographical Details of Directors" in the annual report. The company secretary is responsible for advising the board through the chairman and the chief executive on governance matters and report to the chairman and the chief executive. During the financial year, the company secretary has duly complied with the relevant professional training requirement under Rule 3.29 of the Listing Rules.

COMMUNICATION WITH SHAREHOLDERS

A Shareholders' communication policy aims at providing the Shareholders and potential investors with ready and timely access to balanced and understandable information of the Company. It will be reviewed regularly to ensure its effectiveness and compliance with the prevailing regulatory and other requirements.

The Company has established a number of channels for maintaining an on-going dialogue with its Shareholders as follows:

(i) corporate communications such as annual reports, interim reports and circulars are issued in printed form and are available on the Stock Exchange's website at www.hkexnews.hk and the Company's website at chinalng.todayir.com;

(ii) periodic announcements are made through the Stock Exchange and published on the respective websites of the Stock Exchange and the Company;

(iii) corporate information and the Memorandum and Articles of Association of the Company are made available on the Company's website;

(iv) Annual general meeting and extraordinary general meetings provide a forum for the Shareholders to make comments and exchange views with the Directors and senior management;

(v) the Company's share registrars' serves the Shareholders in respect of share registration, dividend payment, change of Shareholders' particulars and related matters;

(vi) Shareholders and the investment community may at any time make a request to the company secretary of the Company in writing for the Company's information to the extent such information is publicly available. The contacts details are set out in the "Company Information" section of the Company's website at chinalng.todayir.com; and

(vii) Publicly available news and information about the Company can also be sent to Shareholders who have subscribed to the service on the Company's website.

The Company's annual general meeting is a valuable forum for the Board to communicate directly with the Shareholders. Under Code Provision E.1.2, the chairman of the Board should attend the annual general meeting of the Company. The Chairman of the Board, Dr. Kan Che Kin, Billy Albert attended the annual general meeting of the Company held on 27 August 2020. However, the other executive director, Mr. Li Kai Yien, Arthur Albert, present at the annual general meeting who then took the chair of that meeting in accordance with Article 63 of the Articles of Association of the Company.

PKF Hong Kong Limited, the external auditors of the Company had attended the AGM which held on 27 August 2020.

Under Code Provision A.6.7, independent non-executive directors and other non-executive directors should attend general meetings and develop a balanced understanding of the views of shareholders.

The three independent non-executive directors. Mr. Li Siu Yui, Mr. Chow Ching Ning and Mr. Lam Lum Lee and non-executive director Dr. Lam Lee G. had attended the AGM which held on 27 August 2020.

One of the NEDs, Mr. Murray was unable to attend the general meeting held on 27 August 2020 as he had other business engagement. However, he subsequently requested the company secretary of the Company to report to him on the views of the Shareholders in the general meeting. As such, the Board considers that the development of a balanced understanding of the views of Shareholders among the NEDs and INEDs was ensured.

The notice to Shareholders is to be sent in the case of an annual general meeting and any extraordinary general meeting at which the passing of a special resolution is to be considered not less than 20 clear business days before the meeting. All other extraordinary general meetings may be called by not less than 10 clear business days' notice. An explanation of the detailed procedures of conducting a poll is provided to the Shareholders at the commencement of the meeting. The chairman of the meeting answers questions from Shareholders regarding voting by way of a poll. The poll results are published in the manner prescribed under the requirements of the Listing Rules.

SHAREHOLDERS' RIGHTS

Procedures for Shareholders to Convene an Extraordinary General Meeting

Pursuant to the Articles of Association, the Board shall, on the written requisition to the Board or the company secretary of the Company of the members of the Company holding at the date of the deposit of the requisition not less than one-tenth of such of the paid-up capital of the Company as at the date of the deposit carrying the right of voting at general meetings of the Company, forthwith proceed duly to convene an extraordinary general meeting of the Company for the transaction of any business specified in such requisition and such meeting shall be held within two months after the deposit of such requisition.

If the Board do not within 21 days from the date of the deposit of the requisition proceed duly to convene a meeting, the requisitionist(s) shall convene the meeting in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

Procedures for Putting forward Proposals at a General Meeting

There are no provisions under the Articles of Association or the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands regarding procedures for Shareholders to put forward proposals at general meetings other than a proposal of a person for election as Director. Shareholders may follow the procedures set out above to convene an extraordinary general meeting for any business specified in such written requisition.

Procedures for Proposing a Person for Election as a Director

Shareholders may by an ordinary resolution elect any individual ("Candidate") to be a Director. Candidate for election is proposed by separate resolutions put forward for Shareholders' consideration at general meetings.

Corporate Governance Report

According to Article 88 of the Articles of Association, any member who wishes to propose a Candidate (other than the member himself/herself) for election as a Director should observe the following nomination procedures:

1. Prepare a signed notice of intention to propose a Candidate for election. The notice has to be signed by a member other than the Candidate being proposed.

2. Obtain a notice signed by the Candidate stating his willingness to be elected.

3. Both notices, completed in accordance with Rules 13.51(2) of the Listing Rules, are to be submitted to the head office or the registration office at least 7 days before the dispatch of the notice of such general meeting.

4. Should the notice of the general meeting appointed for such election has been sent out, the period for lodgement of such notices shall commence on the day after the dispatch of the notice of such general meeting and the last day to do so is 7 days before the date of such general meeting.

Procedures for Directing Shareholders' Enquiries to the Board

Shareholders may at any time send their enquires and concerns to the Board in writing through the company secretary of the Company whose contact details are set out in the "Company Information" section of the Company's website at chinalng.todayir.com.

Shareholders may also make enquiries with the Board at the general meetings of the Company

Report of the Directors

The Board presents the annual report and the audited consolidated financial statements of the Group for the year ended 31 March 2021.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company and the principal activities of the Group are development of LNG businesses in China, including (i) in PRC, point-to-point supply and wholesale of LNG and gas pipeline connection, provision of LNG logistic services, provision of finance leasing services for LNG vehicles, vessels and equipment as approved by the Chinese Ministry of Foreign Trade and Economic Cooperation; and (ii) in Hong Kong, trading of securities, provision of securities brokerage and investment advisory service, margin financing and securities investments and financial services through provision of money lending business. The principal activities of its subsidiaries are set out in note 1 to the consolidated financial statements.

The Group ceased its securities brokerage and margin financing business during the year.

RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 March 2021 are set out in the consolidated statement of profit or loss and the consolidated statement of comprehensive income on pages 50 and 51 of this annual report. The Directors do not recommend the payment of any dividend for the year ended 31 March 2021.

SHARE CAPITAL

Details of share capital of the Company are set out in note 29 to the consolidated financial statements.

RELATIONSHIP WITH INVESTORS AND THE PUBLIC

We strongly value the advices from investors that provide strong support to our business improvement. We believe effective communication and accurate information disclosure builds investor confidence, and also facilitates the flow of constructive feedback and ideas that are beneficial for our investor relations and future corporate development. Besides annual reports, interim reports and announcements, we facilitate our communication between Shareholders by explaining financial and operational information through conference calls, press conference, meetings, roadshows and company visits.

ENVIRONMENTAL POLICIES

We are committed to building an environmentally-friendly corporation that pays close attention to conserving natural resources. We strive to minimise our environmental impact by saving electricity and encouraging recycle of office supplies and other materials. We also encourage our customers to use clean energy especially LNG for industrial use and to transform their vehicles or vessels from consuming diesel to LNG that emits 25% less carbon dioxide and 97% less carbon monoxide compared to diesel.

COMPLIANCE WITH LAWS AND REGULATIONS

The Group's operations are mainly carried out by the Company's subsidiaries in Hong Kong and the PRC while the Company itself is listed on the Stock Exchange. Our establishment and operations accordingly shall comply with relevant laws and regulations in Hong Kong and the PRC. During the year ended 31 March 2021 and up to the date of this report, we have complied with all the relevant laws and regulations in Hong Kong and the PRC.

FIVE YEAR SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 142 of the annual report.

Report of the Directors

PLANT AND EQUIPMENT

Details of movement in plant and equipment of the Group during the year are set out in note 12 to the consolidated financial statements.

SHARE OPTION SCHEME

The Company adopted the share option scheme (the "Share Option Scheme") on 30 August 2019, under which the Directors may grant options to eligible persons to subscribe for the Company's shares, subject to the terms and conditions stipulated therein.

Particulars of the Company's share option scheme (the "Share Option Scheme") and details of movements in the share options under the Share Option Scheme during the year ended 31 March 2021 are set out in note 31 to the consolidated financial statements and summarized as below:

	Date of grant	Exercise period	Exercise Price	Balance as at 1 April 2020	Granted during the year	Exercised During the year	Cancelled during the year	Outstanding at 31 March 2021
Directors								
Dr. Kan Che Kin Billy Albert *(Note 1)*	31 December 2019	31 December 2021 to 31 December 2029	0.530	1,692,000	–	–	–	1,692,000
		31 December 2022 to 31 December 2029	0.530	1,692,000	–	–	–	1,692,000
		31 December 2023 to 31 December 2029	0.530	2,256,000	–	–	–	2,256,000
Employees								
Mr. Wong Guoliang	31 December 2019	31 December 2021 to 31 December 2029	0.530	6,000,000	–	–	–	6,000,000
		31 December 2022 to 31 December 2029	0.530	6,000,000	–	–	–	6,000,000
		31 December 2023 to 31 December 2029	0.530	8,000,000	–	–	–	8,000,000
	31 March 2021	31 March 2023 to 31 March 2031	0.500	–	6,000,000	–	–	6,000,000
		31 March 2024 to 31 March 2031	0.500	–	6,000,000	–	–	6,000,000
		31 March 2025 to 31 March 2031	0.500	–	8,000,000	–	–	8,000,000
Mr. Tan QiSheng *(Note 2)*	31 December 2019	31 December 2021 to 31 December 2029	0.530	1,200,000	–	–	(1,200,000)	–
		31 December 2022 to 31 December 2029	0.530	1,200,000	–	–	(1,200,000)	–
		31 December 2023 to 31 December 2029	0.530	1,600,000	–	–	(1,600,000)	–
Wong Lai Shan	15 April 2020	15 April 2022 to 15 April 2030	0.248	–	1,200,000	–	–	1,200,000
		15 April 2023 to 15 April 2030	0.248	–	1,200,000	–	–	1,200,000
		15 April 2024 to15 April 2030	0.248	–	1,600,000	–	–	1,600,000
	31 March 2021	31 March 2023 to31 March 2031	0.500	–	900,000	–	–	900,000
		31 March 2024 to31 March 2031	0.500	–	900,000	–	–	900,000
		31 March 2025 to31 March 2031	0.500	–	1,200,000	–	–	1,200,000
Other 33 employees	31 March 2021	31 March 2023 to 31 March 2031	0.500	–	3,450,000	–	–	3,450,000
		31 March 2024 to 31 March 2031	0.500	–	3,450,000	–	–	3,450,000
		31 March 2025 to 31 March 2031	0.500	-	4,600,000	-	-	4,600,000
				29,640,000	38,500,000	–	(4,000,000)	64,140,000

Note 1: On 7 April 2021, 100,000,000 share options were proposed to grant to Dr. Kan with an exercise price of HK$0.5 per share, An extraordinary general meeting will be held on 16 July 2021 to approve, confirm and ratify the grant.

Further details are set out in the Company's announcement dated 8 April 2021 and the circular dated 28 June 2021.

Note 2: Mr. Tan QiSheng was terminated his employment with the Group on 9 May 2020.

The share options are vested as: (a) first 30% on the two-year anniversary from the date of grant; (b) next 30% on the three-year anniversary from the date of grant; and (c) remaining 40% on the four-year anniversary from the date of grant.

DIRECTORS AND DIRECTORS' SERVICE CONTRACTS

The Directors during the year and up to the date of this report were:

Executive Directors:

Dr. Kan Che Kin, Billy Albert *(Chairman)*
Mr. Li Kai Yien, Arthur Albert

Non-Executive Directors:

Mr. Simon Murray
Dr. Lam, Lee G.

Independent Non-Executive Directors:

Mr. Li Siu Yui
Mr. Chow Ching Ning
Mr. Lam Lum Lee

In accordance with the provisions of the Company's articles of association, Mr. Li Kai Yien, Arthur Albert, Mr. Li Siu Yui and Mr. Lam Lum Lee will retire at the forthcoming annual general meeting of the Company and, being eligible, offer themselves for re-election.

The Company has not entered into any service agreement with the Directors.

Each of the independent non-executive Directors was appointed in accordance with the Articles of Association.

None of the Directors being proposed for re-election at the forthcoming AGM has entered into a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

CONFIRMATIONS OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each of the four INEDs an annual confirmation for the year ended 31 March 2021 of his independence as required under Rule 3.13 of the Listing Rules and considers all the INEDs are independent.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 March 2021, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "**SFO**")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they have taken or deemed to have taken under such provisions of the SFO) or as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise to be notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

Name of Director	Name of company in which interests were held	Nature of interests	Long position/ Short position	Number of Shares held	Approximate percentage of shareholding
Dr. Kan Che Kin, Billy Albert	The Company	Beneficial owner	Long position	3,526,093,139 Shares	62.48%
	The Company	Beneficial owner	Short position	169,543,940 Shares	3.00%
Mr. Li Kai Yien	The Company	Beneficial owner	Long position	200,000 Shares	0.00%
Mr. Simon Murray	The Company	Beneficial owner	Long position	5,000,000 Shares (Note)	0.09%
Dr. Lam, Lee G.	The Company	Beneficial owner	Long position	10,000,000 Shares (Note)	0.18%

Note:

These Shares represent the option shares, which were beneficially owned by Dr. Kan, were granted by Dr. Kan to Mr. Murray and Dr. Lam upon the exercise in full of the rights pursuant to option deed agreements signed between Dr. Kan and each of Mr. Murray and Dr. Lam.

	Interests in shares in associated corporation(s) of the Company			
Name of Director	Name of company in which interests were held	Nature of interests	Number of Shares held	Approximate percentage of interests in the capital of the associated corporation
Dr. Kan Che Kin, Billy Albert	Key Fit Group Limited	Beneficial owner	69,982,878 Shares	9.99%

Save as disclosed above, none of the Directors or chief executives of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise to be notified to the Company and the Stock Exchange pursuant to the Model Code as at 31 March 2021.

SUBSTANTIAL SHAREHOLDERS

As at 31 March 2021, so far as was known to the Directors and chief executives of the Company, no other person (other than Directors or chief executives of the Company) had any interests or short positions in the Shares or underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO as at 31 March 2021.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

At no time during the year was the Company or any of its subsidiaries a party to any arrangement to enable the Directors or chief executives of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, and neither the Directors nor the chief executives of the Company, nor any of their spouses or children under the age of 18, had any right to subscribe for securities of the Company or had exercised any such right.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Save as set out in note 35 to the consolidated financial statements, no contracts of significance to which the Company or any of its subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year, nor had there been any contract of significance entered into between the Group and a controlling Shareholder of the Company during the year.

REMUNERATION OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS

Details of the emoluments of the Directors and the five highest paid individuals of the Group are set out in notes 7 and 8 to the consolidated financial statements.

DISTRIBUTABLE RESERVES OF THE COMPANY

The Company's reserves available for distribution to Shareholders of the Company as at 31 March 2021 and 2020 were as follows:

	31 March 2021 HK$'000	31 March 2020 HK$'000
Share premium	**434,385**	434,385
Special reserve	**112,369**	112,369
Accumulated losses	**(18,174)**	(12,435)
Total	**528,580**	534,319

Under the Companies Law (Revised) Chapter 22 of the Cayman Islands, the share premium is available for paying distributions or dividends to Shareholders of the Company subject to the provisions of its Memorandum and Articles of Association and provided that immediately following the distribution of dividend, the Company is able to pay its debts as they fall due in the ordinary course of business. The Articles of Association provide that an ordinary resolution passed by the Shareholders of the Company is required for any distribution out of the share premium account. In the opinion of the Directors, the reserves of the Company available for distribution comprise share premium, contributed surplus and retained profits.

EMOLUMENT POLICY

The emolument policy of the employees of the Group is set up by the Remuneration Committee on the basis of their merit, qualifications and competence. The emoluments of the Directors are decided by the Remuneration Committee, having regard to the Company's operating results, individual performance and comparable market statistics.

MAJOR CUSTOMER AND SUPPLIER

Revenue attributable to the Group's five largest customers accounted for approximately 21% of the Group's total revenue for the year ended 31 March 2021 and revenue attributable to the largest customer included therein amounted to approximately 7%. Purchases from the Group's five largest suppliers accounted for approximately 41% of the Group's total purchases for the year ended 31 March 2021 and purchases from the largest suppliers included therein amounted to approximately 10%.

None of the Directors, their respective associates or any Shareholders of the Company (which to the knowledge of the Directors own more than 5% of the Company's issued share capital) had any interest in any of the lessee or customer of the Group for the year ended 31 March 2021.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Articles of Association or the laws of the Cayman Islands, which would oblige the Company to offer new Shares on a pro-rata basis to its existing Shareholders.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

None of the Directors was interested in any business apart from the Group's business, which competed or was likely to compete either directly or indirectly with business of the Group during the year ended 31 March 2021.

SUFFICIENCY OF PUBLIC FLOAT

To the best knowledge of the Directors and based on information publicly available to the Company, there was sufficient public float throughout the year ended 31 March 2021 and as at the latest practicable date prior to the publication of this annual report.

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

During the year ended 31 March 2021, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

INDEMNITY OF DIRECTORS

A permitted indemnity provision (as defined in Section 469 of the Hong Kong Company Ordinance) for the benefit of the directors of the Company is currently in force and was in force throughout this year.

AUDITOR

PKF Hong Kong Limited, the auditors of the Company, will retire at the conclusion of the forthcoming AGM of the Company and be eligible to offer themselves for re-appointment. A resolution will be submitted to the forthcoming AGM to seek Shareholders' approval for the reappointment of PKF Hong Kong Limited as the Company's auditors until the conclusion of the next AGM.

On behalf of the Board

Kan Che Kin, Billy Albert
Chairman

Hong Kong
29 June 2021

Environmental, Social and Governance Report

INTRODUCTION

This Environment, Social and Governance Report (the "ESG Report") summarises the environmental, social and governance ("ESG") initiatives, plans and performance of China LNG Group Limited (the "Company") and its subsidiaries (the "Group" or "we") and illustrates its commitment to sustainable development.

As a comprehensive regional liquefied natural gas ("LNG") solutions provider, the Group endeavors to develop retail, trading and transportation businesses which leverage on the safety, reliability and cleanliness of LNG as an energy source in the People's Republic of China (the "PRC"). The Group agrees that it has responsibility regarding the environmental impact of its business, and therefore regards sustainable development as an ESG management policy. The Group is committed to handling ESG issues effectively and responsibly. As they are integral to our core business strategy, we believe that they are the key to our continuous success in the future.

ESG GOVERNANCE STRUCTURE

The Group has appointed employees from different departments to form an ESG Taskforce (the "Taskforce"), responsible for collecting information relevant to our ESG aspects for preparing the ESG Report. The Taskforce reports to the board of directors (the "Board") and assists in identifying and evaluating the Group's ESG risks and the effectiveness of its internal control mechanism. The Taskforce also examines and evaluates our ESG performance in various aspects, such as environment, health and safety, labor standards and product responsibility. The Board sets the general direction of the Group's ESG strategy and ensures the effectiveness of ESG risk management and internal control mechanism.

REPORTING SCOPE

The ESG Report covers the Group's LNG businesses in the PRC, including sales and distribution of LNG and provision of LNG logistics services in the context of ESG performance. These two business segments represent the Group's major sources of revenue, therefore they were selected as the basis for the ESG Report. We will expand the scope of disclosure in the future when the Group's data collection system is more matured and its sustainable development work is further enhanced.

REPORTING FRAMEWORK

This ESG Report has been prepared in accordance with the Environmental, Social and Governance Reporting Guide (the "ESG Reporting Guide") as set out in Appendix 27 of the Rules Governing the Listing Securities on the Main Board of the Stock Exchange of Hong Kong Limited.

Information relating to the Group's corporate governance practices has been set out in the Corporate Governance Reporting on pages 15 to 22 of this annual report.

REPORTING PERIOD

The ESG Report describes the ESG activities, challenges and measures taken by the Group during the period from 1 April 2020 to 31 March 2021 (the "Reporting Period" or "2021").

STAKEHOLDER ENGAGEMENT

Stakeholder engagement is a core element of the Group's sustainability work. We maintain close communication with stakeholders in order to understand and address their concerns. The Group establishes different communication channels with major stakeholders, regularly reports to stakeholders on the strategic sustainable development plan and its performance, consults different parties for their opinions and demands, so as to ensure that the Group's business practices meet shareholders' expectations. The Group's communication channels with different stakeholders and stakeholders' expectation and demands are shown as follows:

Environmental, Social and Governance Report

Stakeholders	Communication channels	Expectations and demands
The Board	• Regular board meetings • Daily communications and reporting • Corporate sustainable development	• Compliant operations • Financial results
Shareholders, institutional and individual investors	• Annual general meeting and notices • Regular corporate publications (including financial statements) • Circulars and announcements wherever necessary • Corporate website	• Compliant operations • Financial results • Corporate sustainable development
Employees	• Training activities • Team building activities • Regular performance assessment • Staff meetings • Daily communications and reporting	• Career development • Health and safety • Remuneration and benefits • Equal opportunities
Government and regulatory authorities	• Daily communications and reporting • Compliance management • Self-tax-reporting • Information disclosure • Written communications wherever necessary	• Implementation of policies • Compliance with rules and laws • Tax payment as required by law • Business ethics • Community participation
Customers	• Customer activities • Satisfaction questionnaire • Telephone and face-to-face meetings	• Customer information and privacy protection • Business integrity and ethics
Suppliers	• Meetings • On-site inspection • Regular assessment • Exchange and mutual visits	• Fair competition • Business ethics and reputation • Product quality • Cooperation with mutual benefits
Communities	• Promoting employment • Community activities • Community investments	• Compliant operations • Promoting community development • Environmental protection
Media	• Corporate website • Circulars and announcements	• Compliant operations • Promoting community development • Environmental protection • Business ethics • Health and safety
Non-governmental organisations	• Corporate website • Circulars and announcements	• Promoting community development • Environmental protection • Health and safety

The Group is committed to working with different stakeholders to improve ESG performance, and continuously create greater value for the wider community.

MATERIALITY ASSESSMENT

The Group's management and staff from major functions have participated in the preparation of the ESG Report to assist the Group to review its operations, identify relevant ESG issues, and assess the importance of relevant matters relating to our businesses and stakeholders. Based on the assessment of significant ESG issues, a data collection questionnaire was prepared to collect information from relevant departments and business units.

The following table summarises the material ESG issues included in the ESG Report:

Environmental

Exhaust gas emissions	Greenhouse gas ("GHG") emissions	Sewage treatment
Waste management	Energy management	Water resources management
Providing alternative energy options	Prevention of construction pollution	Environmental protection activities

Social

Employment, promotion and dismissal	Remuneration and benefits	Equal opportunities, Diversity and Anti-discrimination
Employee care	Safety management system	Safety training
Training management	Prevention of forced labor	Prevention of child labor
Supply chain management	Customer service and privacy	Product safety
Internal audit system	Corporate social responsibilities	

The Group confirms that it has established appropriate and effective management policies and internal control systems for ESG issues and that the disclosed contents comply with the requirements in the ESG Reporting Guide. We will provide a more detailed disclosure of the issues that stakeholders are concerned about in the ESG Report. At the same time, results of the materiality assessment will serve as a guide for the Group in formulating ESG strategies and plans for the next year, and continue to drive the sustainable development process.

CONTACT US

We welcome stakeholders' opinions and suggestions. Please fax your advice relating to our ESG performance to (852) 3691 8282.

A. ENVIRONMENTAL

A1 Emissions

As a comprehensive regional LNG solutions provider, the Group strives to reduce pollutant emissions through operating a safe, reliable and clean LNG energy source. The Group actively responds to the state Energy Utilisation Policy and the 13th five-year plan that facilitates the structural adjustment of the PRC energy sector. By implementing stringent environmental protection policy, the Group actively executes its environmental protection responsibilities in the critical areas of engineering design, construction and operations. With the aim of reducing energy consumption and GHG emissions, the Group has been exploring operating models with less impact on the environment. The Group also recognises the importance of environmental management, and strives to protect the environment as part of its social responsibility commitment.

The Group formulates and strictly executes energy management regulations, waste control procedures and hazardous waste management systems. These enable the Group to identify various types of emissions generated by its business, and monitor the emissions of various exhaust gases and GHG, sewage discharge and the generation of hazardous and non-hazardous waste, to ensure they are in compliance with national standards. The national standards include second-level standards of the prevailing Ambient Air Quality Standards, the IV type standard of the prevailing Environmental Quality Standard for Surface Water, the 2-4 type standard of the prevailing Environmental Noise Standard for Urban Areas, and the third-level standard of Discharge Limits of Water Pollutants.

The Group also fully complies with the Environmental Protection Law of the PRC, the Law of the PRC on Prevention and Control of Water Pollution, the Law of the PRC on Prevention and Control of Atmospheric Pollution, the Law of the PRC on the Prevention and Control of Pollution from Environmental Noise, the Law of the PRC on the Prevention and Control of Environmental Pollution by Solid Wastes, and other laws and regulations relating to environmental protection. Its various emissions and waste reduction measures are established and implemented accordingly. During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations relating to exhaust gas and GHG emissions, discharges into water and land, or generation of hazardous and non-hazardous waste that would have a significant impact on the Group.

Exhaust Gas Emissions

The Group's exhaust gas emissions are mainly generated through fuel combustion when transporting LNG. As such, the Group established a Vehicle Transportation Safety Management System and related measures to control fuel consumption and reduce exhaust gas emissions in order to fulfil its environmental responsibilities. The relevant measures are as follows:

- Limit the speed of vehicles to avoid excessive fuel consumption due to high vehicle speed;

- Refuel vehicle at designated gas stations by the Group to avoid using low-quality LNG and reduce exhaust gas emissions per unit of gas consumption; and

- Other control measures relating to fuel consumption will be described in the section headed "Energy Management" in aspect A2.

LNG, used by most of the Group vehicles, is relatively more environmental-friendly. During the Reporting Period, the Group's exhaust gas emissions from vehicles performance summary was as follows:

Types of exhaust gas	Unit	2021
Sulfur Oxides	tonnes	0.001
Nitrogen Oxides	tonnes	161
Particulate Matter	tonnes	11.6

GHG Emissions

The Group's principal GHG emissions are generated from the fuel combustion of vehicles during transportation (Scope 1) and purchased electricity (Scope 2). The Group has adopted environmental protection, energy saving and fuel consumption control measures to reduce GHG emissions during operations, relevant measures are detailed in the section headed "Energy Management" in aspect A2. Through the implementation of such GHG emissions reduction measures, employees' awareness on the reduction of GHG emissions has increased.

During the Reporting Period, the Group's GHG emissions performance summary was as follows:

Indicator[1]	Unit	2021
Direct GHG emissions (Scope 1) – Fuel combustion of vehicles	tCO_2e	30,602
Energy indirect GHG emissions (Scope 2) – Purchased electricity	tCO_2e	166
Total GHG emissions (Scope 1 and 2)	tCO_2e	30,768
Total GHG emissions intensity[2]	tCO_2e/million HKD revenue	40

Notes:

1. GHG emissions data are presented in tonnes of carbon dioxide equivalent, with reference to, including but not limited to, the "the GHG Protocol: Corporate Accounting and Reporting Standards" issued by the World Resources Institute and the World Business Council for Sustainable Development, the latest released emission factors of China's regional power grid basis, "How to prepare an ESG Report – Appendix II: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange of Hong Kong Limited, "Global Warming Potential Values" from the IPCC "Fifth Assessment Report", and "2006 IPCC Guidelines for National Greenhouse Gas Inventories Volume 2 Energy" issued by the Intergovernmental Panel on Climate Change.

2. As at 31 March 2021, the revenue of the Group's sales and distribution of LNG and provision of LNG logistic services amounted to approximately HK$768,601,000. Such data will also be used to calculate other intensity data.

Sewage Treatment

The Group discharged domestic sewage during its daily operation and built its own sewage treatment system so that the treated sewage could meet the discharge standards. The domestic sewage was purified and discharged into municipal sewage network through underground sewage treatment system, and then discharged to its regional water purification plant for handling. Therefore, the Group's water consumption is equivalent to sewage discharge. The data on water consumption and relevant water saving measures are detailed in the section headed "Water Resource Management" in aspect A2.

Waste Management

The Group identifies and classifies waste, centralises storage and disposes of waste accordingly. Designated responsible person disposes of waste from the recycling boxes set up in the office in a timely manner, and maintains a hygienic environment around the recycling box. The Group has taken specific measures for handling the following categories of solid wastes.

Hazardous waste

The principal hazardous waste disposed of by the Group is lubricant oil used in vehicle maintenance, including engine, brake, automatic transmission and gear lubricants generated during the vehicles maintenance process. During daily vehicle maintenance, the Group instructs technicians the appropriate use of lubricant oil to avoid unnecessary leakage. Hazardous waste generated by the Group was also handled by a qualified third-party to reduce pollution as much as possible. The Group also minimises and avoid the use of harmful materials during operations. During the Reporting Period, the Group's hazardous waste disposal performance was as follows:

Types of hazardous waste	Unit	2021
Lubricant oil	tonnes	20
Total hazardous waste intensity	tonnes/million HKD revenue	0.03

Non-hazardous waste

The principal non-hazardous waste disposed of by the Group includes waste paper, old tyres and general wastes. The Group requires all departments and employees that generate solid waste to adopt measures to collect, sort and store waste. Each department must label the containers or designated locations for collecting the solid waste. Recyclable solid waste is sorted and stored in a designated place, and then recycled after a certain amount is accumulated. Non-recyclable production waste and domestic waste are collected and handled by qualified contractors.

In addition to disseminating waste reduction knowledge to employees through promotion boards, internal newsletters and campaigns, the Group also implemented the following measures in business operations to reduce the generation of non-hazardous waste, thereby reducing its carbon footprint and environmental impact.

- Encourage doubled-sided printing;
- Post reminders to reduce waste near rubbish bins or recycling bins;
- Support waste recycling plan, centralise all recyclable materials for collection by a qualified recycler; and
- Collect old tyres within the Group to increase recycling rate.

The Group also actively participates in waste recycling and reuse schemes in which most of the consumed materials (especially old tyres) are collected and recycled by contractors for reuse. 100% of the Group's old tyres, vehicle parts, papers and general wastes are recycled for the reproduction of various products, rather than being sent to landfills. These measures not only demonstrate the Group's determination to preserve the environment and its effort in waste reduction, but also increase employees' awareness in wastes management at the same time. During the Reporting Period, the Group's non-hazardous waste disposal performance summary was as follows:

Types of non-hazardous waste	Unit	Total consumption (2021)
Paper	tonnes	7.5
General waste	tonnes	29
Tyres	tonnes	28
Vehicle Parts	tonnes	6
Total non-hazardous waste	tonnes	70.5
Total non-hazardous waste intensity	tonnes/million. HKD revenue	0.09

A2. Use of Resources

The Group strives to use resources effectively and requires its employees to reduce unnecessary resources consumption. We continuously monitor the environmental impact of its business operations, promote green operational concepts and minimise the environmental impacts brought by the Group's operation. The Group attaches great importance to its overall energy consumption, explaining the standardized use of different energy types and the responsibilities of each department to department heads, and assigned specialised staff to monitor each department's energy consumption regularly. Incidents of abnormal consumption will be immediately investigated and solutions will be identified.

Energy Management

During daily operation, the Group's energy consumption was mainly electricity for operation and fuel consumed for transportation. The Group has established equipment energy conservation principles and requires employees to implement a range of energy saving measures. Relevant measures are as follows:

- To reduce energy consumptions by raising the employees' awareness in aspects such as energy consumption, paper use, and greenhouse gas emissions;
- Switch off computers (host or monitor) when employees are away for extended periods, and switch them to standby or sleep mode during lunch breaks;
- In addition, after office hours, the Group has designated the administrative department to check whether all of the electronic-devices in the office has been properly switched-off, equivalent sanction may be apply to any individuals who fails to comply with the policy;

- Use office appliances with energy labels;
- Switch off all appliances when not in use;
- Enhance the maintenance of air-conditioning systems, including washing tubes, cleaning filters, refilling oil to the monitor, etc., to reduce energy consumption;
- Overhaul and maintain vehicles regularly so as to reduce fuel consumption;
- Require transportation personnel to use designated routes, thus reducing distances between destinations as much as possible.

Meanwhile, the Group's Human Resources Department is responsible for promoting reductions in electricity and fuel usage. It regularly reviews the performance of each department in these areas. Department heads are responsible for the promotion, monitoring and inspection of electricity saving and control of fuel consumption in their respective departments. Departments with large consumption of electricity and fuels are responsible for the maintenance and overhaul of relevant equipment. Through the above energy management measures, employees' awareness on energy conservation has been increased. During the Reporting Period, the Group's energy consumption performance summary was as follows:

Energy Type	Unit	2021
Direct energy consumption	MWh	124,331
Petrol	MWh	835
Diesel oil	MWh	–
LNG	MWh	123,496
Indirect energy consumption	MWh	267
Purchased electricity	MWh	267
Total energy consumption	MWh	124,598
Total energy consumption intensity	MWh/million HKD revenue	162

Water Resource Management

The Group's use of water resources mainly comprises domestic water, and we do not heavily rely on water resources. To further save water and utilise water resources, the Group instills water conservation concepts into its employees. The Group has also established the following water saving regulations:

- Check water facilities for leakages or malfunctions, should these occur, responsive measures should be taken, or the situation should be reported to supervisors, and responsive plans should be established to prevent long-term leakage of production and domestic water;
- The discharge of domestic sewage should comply with relevant government laws and regulations;
- Water pipes should be regularly checked for the avoidance of "water running, seeping, dripping and leaking"; and
- Use of water resources and effectiveness of water saving measures are subject to review at the environmental management meeting. Whenever necessary, further effective water resources management measures should be proposed.

The Group also posts water conservation information and reminders in sink areas. Through the above water conservation measures, employees' awareness on water conservation has been increased. During the Reporting Period, the Group's water performance summary was as follows:

	Unit	2021
Total water consumption	m^3	6,994
Total water consumption intensity	m^3/million HKD revenue	9.1

Due to the geographical location of our operation, we do not have any issue in sourcing water that is fit for purpose.

Use of Packaging Materials

Due to its business nature, the Group neither produce any finished product, nor possess any industrial facilities, and therefore does not consume a significant amount of packaging materials in its daily operations.

A3. The Environment and Natural Resources

The Group is keenly aware of its business's impact on the environment and natural resources, and strives to achieve best practices in regard to environmental protection. In addition to complying with relevant environmental laws and regulations and international standards, the Group has integrated the concept of environmental and natural resources protection into its internal management and routine operations with the aim of achieving environmental sustainability.

Providing Alternative Energy Option

The Group has responded to the state's energy structural adjustment policy by continuously supplying green energy in support of urban development. Under the state's 13th five-year plan and the Energy Working Report issued by National Energy Administration dated 24 May 2011, related work of LNG vehicle utilisation and "coal-to-gas" conversion is encouraged. The Company has encouraged industrial users to upgrade their boilers and large furnaces, encouraged vehicle and vessel users to use natural gas fuel, and provided complementary gas supply services to all user types in the interest of saving energy, reducing emissions and improving the environment. The Group also participates in coal-related work which provides several rural areas and small industrial users with natural gas solutions.

Prevention of Construction Pollution

The Group collaborates with local government to plan for gas stations and pipelines, and makes adjustments to these plans from time to time based on actual needs. We strive to consolidate as many different functions into each gas station as is practical in order to save land resources. Hydrogeological survey and pipeline routing optimisation are carried out in advance of high-pressure pipeline construction, as well as other preliminary preparations such as geo-hazard and environment assessments and soil and water conservation resolution. We test and monitor dust, noise and solid waste at construction sites to minimise their harmful effect on the local environment. During construction, the Group adopts measures such as cleaning vehicle tyres, centralising disposal of waste water and mud and applying sound absorption and insulation techniques to minimise air, water and noise pollution.

Promotion of Environmental Protection Activities

The Group actively organises activities such as tree planting and bicycling to promote environmental protection. The Group invites its staff and its customers to support its environmental protection through practical actions such as green planting, paperless office, and green and low carbon travel.

B. SOCIAL

B1. Employment

The Group follows a people-oriented development path with an emphasis on staff management, including the "Staff Management System" which covers employment, promotion and dismissal, remuneration and benefits, equal opportunities, and employee diversity, etc. It endeavours to create a better working environment for staff, reduce exposure to labor employment risks, and effectively eliminate the use of child and forced labor.

The Group complies with the Labor Law of the PRC, the Labor Contract Law of the PRC and Regulations on Work-related Injury Insurances, as well as other applicable laws and regulations. During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations relating to working house, rest period, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.

Employment, Promotion and Dismissal

At the start of their employment, each employee enters into a written labor contract with the Group. The Group requires employees to provide his/her complete personal information and provide relevant documents such as academic certificates, original copy of proof of identity, proof of contract termination issued by former employers, medical examination certificates, etc. The Human Resources Department will verify and photocopy the original copies. All information and materials provided should be true and valid.

Employee promotions are not solely based on his/her length of service, but also his/her performance, job-specific skills, experience, ability and attitude. Individuals are evaluated on their work performance, behaviour and attitude. Results serve as the basis for personal and career development as well as determining remuneration. Performance assessments also enable the Group to carry out performance management of employees. Performance management aims to enhance employee communication and promote their development. Through the engagement of performance management, employees can communicate with and provide feedback to their direct supervisors in an open and honest manner. The Human Resources Department is responsible for monitoring and managing the results of performance assessment, which serve as the basis for year-end bonuses, basic salary increments, promotions and position adjustments. The results are categorised as 'excellent ', 'good', passes or 'fail'. If an employee's performance is assessed as a 'fail', it implies that they are incompetent, and are not entitled to a salary increment or promotion in the next 12 months, or awarded a bonus for the assessment period. The Group has the right to adjust the employee's position or arrange training for him/her, and establish performance improvement and assessment targets. Should the employee still fail the assessment, it can be taken as a basis for the Group to terminate his/her labor contract.

The Group can unilaterally terminate a labor contract in any one of the following situations:

(1) Proved unqualified for employment during the probation period;

(2) Found in serious violation of labor disciplines or the Group's rules and regulations;

(3) Engaged in serious gross negligence and malpractice, or caused significant losses to the Group;

(4) Establishing labor relations with another employer at the same time, which seriously affects completion of the Group's work tasks, or refuses to make corrections upon the request of the Group;

(5) Used such means as deception or coercion, or taking advantage of the Group's difficulties, to cause the Group to conclude an employment contract, or to make an amendment thereto, which is contrary to the Group's true intent; and

(6) Investigated for criminal liability according to law.

Remuneration and Benefits

The Group follows a people-oriented development path with an emphasis on staff management, and established systems such as "Staff Management System". It endeavours to create a better working environment for staff, reduce exposure to labor employment risks, and effectively eliminate the use of child and forced labor.

The Group is implementing a five-day week and eight-hour day working arrangement. Its staff members enjoy all holidays set by the state and local governments and are entitled to paid leave ranging from five to 15 days, depending on their length of service. Employees are entitled to five insurances, a housing fund and other benefits. The Group also provides commercial health and accident insurance to its employees.

The Group is implementing a master budget management regarding remuneration, which comprises a performance-based reward system that aims to motivate staff to contribute to the Group. An incentive scheme linking the remuneration of management to the Group's performance has also been established, forming a floating mechanism for management remuneration.

Employee remuneration includes basic salary, allowance and other cash income of any other forms such as bonuses. The Group will deduct amounts payable for social insurance, provident fund and income tax from employees' monthly salaries, and direct the deducted amounts on the employees' behalf to the appropriate government authorities. The Group reviews and adjusts employee remuneration according to major factors such as operating conditions, prevailing market rates and individual performance on a regular or irregular basis. The Group participates in social insurance and housing funds in accordance with state laws and regulations. The benefits offered by the Group also include:

(1) Supplementary business insurance: applicable to full-time employees of the Group, including group personal accident insurance and group hospital and surgical insurance; and

(2) Medical check-up scheme: The Group will arrange medical check-ups for employees on a regular basis. This scheme is applicable to full-time employees who have served more than three months.

Equal Opportunities, Diversity and Anti-discrimination

The Group has made solid progress in human resources development and management. It has promoted standardisation, professionalism, marketisation and globalisation of its talent pool, and strengthened its human resources management in order to further enhance the training of talents. Initiatives adopted for main human resources tasks are as follows:

(1) Implemented a talent strategy to further enhance training, strove to build a talent team with strong technical skills and a professional work culture; and

(2) Deepened three systematic reforms. In 2016, based on the "fixed position, fixed schedule, fixed staff" scheme, benchmarking other advanced enterprises in the same industry in the PRC, and taking into consideration the performance assessments of all staff, the Group progressively adopted a dynamic management approach based on the requirements of positions and annual performance appraisal results, in compliance with relevant laws and regulations.

The Group's recruitment and employee development are fair and objective. As long as an individual has relevant qualifications, achievements, skills and experience, they can be employed as an employee or consultant regardless of their personal/familial relationship with other Company employees. The same principal of fairness is applied to remuneration and benefits, promotion and position adjustment, and the employee's future development.

Employee Care

The Group has a well-established system of fully executing national regulations and standards. We educate our staff on matters relating to production safety and occupational health, and ensure both through implementation of a comprehensive Operational Safety and Management System Manual, enhance staff training, daily supervision, and quality and safety standardisation. In the course of their implementation, the Company maintains employer's liability insurance to protect staff interests. The Group cares for its female staff, and has made efforts to improve staff's working and living environments, and provides annual medical check-ups. We also provide complementary commercial health insurance and medical support to reduce the financial burden on staff members. The Group frequently holds activities to celebrate staff members' birthdays.

B2. Health and Safety

The health and safety of employees is of paramount concern to the Group. Each subsidiary has established regulatory systems for production safety and occupational disease prevention and control. Specific departments are assigned to oversee production safety and reduce occupational health hazards.

Following the principle of "placing safety as the top priority, taking precautions as the main task and providing comprehensive treatment", the Group emphasizes major responsibilities in ensuring production safety. It conducts promotion, education and training on production safety, especially for new staff members. The Group continuously works to meet production safety standardisation targets. Large-scale inspections are performed regularly to eliminate potential hazards in a timely manner. The Group also arranges annual medical check-ups for staff its members. These measures have enhanced our level of occupational health and safety and environmental management.

We fully enforce laws and regulations such as the Labor Law of the PRC, Prevention and Control of Occupational Diseases Law of the PRC and the Fire Prevention Law of the PRC. During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations relating to providing a safe working environment and protecting employees from occupational hazards.

Safety Management System

In order to further establish a long-term mechanism of corporate production safety, enhance the quality of corporate safety management, protect the life and property of employees and ensure the consistent development of its safety and economic culture, the Group's Logistics and Trade Department formulated safety production management systems with reference to the requirements of the Administrative Provisions on Road Transportation of Dangerous Goods (Order of the Ministry of Transport [2013] No. 2) and the Shanghai Regulation on the Safety Management of Hazardous Chemicals (Order of Shanghai Municipal People's Government No. 56, promulgated on 16 February 2006).

To meet market demand and customer expectations, the Group has taken actions to optimise its health, safety and environmental management. According to the Q/SHS0001.1-2001 Safety Environment and Health (HSE) Management System standard and the requirements of GB/T24001-2004 "Environmental Management System and Specifications and Usage Guidelines" and GB/T28001-2001 "Occupational Health and Safety Management System Specifications", the Group's natural gas department issued a "HSE Management System Manual". All employees must follow the requirements of the HSE management system, implement management policy and the provisions of the implementation manual, and strive to achieve the HSE objectives and service commitments of the Group. Externally, the Group demonstrates its assurance of occupational health and safety and environmental work and fulfils its commitment to customers. Internally, all employees are engaged in the whole process of carrying out all-round occupational health and safety and environmental work.

Safety Training

Production safety is the fundamental right of labor, and employees also bear its obligation. Every employee is required to know how to perform their work without causing injury to themselves or others, and without being hurt by others. Employees are obligated to abide by the law, obey management, and accept training to improve their ability to identify hazards, protect themselves and protect the Company.

The Group's headquarters and its subordinate companies offer regular employee safety training which provides a solid foundation for improvements to their emergency plan. The training aims to strengthen employees' safety knowledge in the hazardous chemicals industry to prevent accidents. This training has greatly improved the safety awareness of our employees, as well as improving the identification and rectification of safety management inadequacies in routine operations.

B3. Development and Training

Training Management

The Group regards its staff as the most important asset and resources. We recognise the valuable contribution our talents make to the continued success of the Group. We are committed to inspiring our human capital in pursuit of excellence. This is achieved through development of training strategy that focuses on creating value and serving the needs of our customers, our talents and the society. In light of this, the Group provides regular training and development programs for its employees.

To ensure the effectiveness of the training program, the Group developed relevant policies covering training management and training procedures, and monitored the training related processes. A training plan is developed by management based on the requirements from various departments and employees. Training content is regularly updated to ensure it is relevant to stakeholders' changing needs such as changes in laws and regulations, market trend, product trend and customer behavior. The Group encourages and supports its employees to participate in personal and professional training to fulfill the needs of the Group's development. The Group also encourages the culture of sharing knowledge and experience. On the other hand, we provide on-the-job training to new employees of the Group.

B4. Labor Standards

Under its "people-oriented" development philosophy, the Group attaches a high priority to employee management. It has accordingly established an "employee management system" and other systems to provide a good working environment, reduce labor risks and effectively eliminate child and forced labor.

The Group complies with relevant laws and regulations relating to the prevention of child and forced labor, including the Labor Law of the PRC, the Special Protection Regulations for Juvenile Workers, and Provisions on the Prohibition of Using Child Labor. During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations relating to child and forced labor.

Prevention of Forced Labor

The Group implements a work system of five-day a week, eight hours a day. Employees enjoy all holidays prescribed by the PRC and local governments, as well as paid leave. Depending on the duration of employment, the length of paid leave can vary between five to 15 days.

The working hours for full-time employees are no more than eight hours per day, with the average weekly working hours at no more than 40 hours. The salary of full-time employee is calculated on a monthly basis. In respect to part-time employees (referring to fixed employees with an average of not more than four hours of daily working hours and not more than 24 hours of accumulated weekly working hours), their wages are calculated in hours.

Prevention of Child Labor

The Group fully implements the Provisions on the Prohibition of Using Child Labor and the Provisions on the Special Protection of Juvenile Workers of the State Council, and complies with the BSCI standards. During the recruitment process, the Group carries out a rigorous inspection of each candidate's identity card. Candidates may only begin their employment once their photos have been verified. The Group also checks candidates' ages to avoid the use of child labor. If child labor is inadvertently used, immediate remedial measures are required. "Child labor" means a minor of under 16 years of age who works in any part of the Group.

The Group implements the Provisions on the Prohibition of Using Child Labor and the Provisions on the Special Protection of Juvenile Workers of the State Council, and complies with the BSCI standards. During recruitment, the Human Resources Department must conduct a rigorous inspection of the identity card of the candidates and verify the photo before the candidates are formally employed.

B5. Supply Chain Management

Supplier Management

The Group regulates supplier management, strictly implements a credit approval process, and implements transparent management of procurement bidding. Supplier selections follow the processes below:

(1) Thorough review of the qualifications, technical standards and production capacity of the nominated supplier, and suppliers who pass this review are included on the list of qualified suppliers.

(2) Select qualified suppliers to purchase materials from the list of qualified suppliers. Tender invitations are sent to more than five qualified suppliers, and preliminary evaluation review of the bids are conducted. When the suitable supplier is finally determined, a procurement contract will be signed based on the comprehensive evaluation results.

In addition, the Group also takes measures to examine whether its major suppliers are in compliance with relevant laws and regulations and other required standards for the environment, health, safety, forced labor and child labor, and examine the suppliers' awareness in the above aspects.

B6. Product Responsibility

The Group attaches great importance to its product quality and corporate reputation. We actively safeguards the quality of our products and service with our internal control process. The Group also maintains on-going communication with its customers to ensure understanding and satisfaction of their demand and expectations, as well as to constantly improving its services by knowing their satisfactory rates.

The Group actively complies with laws and regulations in relation to consumers' rights such as the Law of the PRC on Protection of Consumer Rights, the Advertising Law of the PRC and the Patent Law of the PRC. During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations relating to privacy issues and compensation relating to health and safety, advertisement, labelling, and products and service provided.

Customer Service and Privacy

The Group reviews all complaints from its customers, suppliers and partners in accordance with internal procedures and guidelines, and takes appropriate follow-up actions. If applicable, the Group will conduct relevant investigations and resolve them and make improvements as needed. The Group believes that complaints are a good opportunity to receive feedback from the community and customers, so that the need to improve services and policies can be identified.

In addition, the Group manages customer profiles on a prudent and meticulous basis to prevent the leakage of customer privacy. Customer information and data is treated as part of the Group's resources, sales, sharing, or disclosure of which is not permitted regardless of any purpose. Each employee is required to safeguard customer's information and data in accordance with the corporate regulations.

Product Safety

The Group attaches great importance to the safety of the LNG business, and complies with the relevant agreements on the transportation of dangerous goods, such as the "Provisions on the Administration of Road Transport of Dangerous Goods". We will conduct careful checks on vehicles transporting LNG prior to departure to ensure they will not result in unnecessary personal and property risks during the transportation process and sales. Before the trucks enter the industrial enterprise factories for loading and unloading LNG, we will check the leakage and damaging level of containers, tanks, packaging containers, trucks and trailers, as well as safety equipment, and verify the name, specifications and quantity with the waybill. If there are any abnormalities and inconsistencies with the waybill, the loading should be rejected, and resume the loading after the problems are solved.

The Group also has strict requirements for purchasing LNG. We require to obtain relevant gas quality reports before purchasing to ensure the purchased LNG meets the national temperament standards before selling, so as to protect customers' safety and guarantee the quality of LNG.

Advertising and Labelling

Based on the nature of the business of the Group, the Group only conducts limited publicity campaigns. Therefore, the Group's business operations do not involve significant advertising and label related risks.

B7. Anti-corruption

In accordance with the "Corporate Governance Code" of the Stock Exchange of Hong Kong, the "Corporate Governance Report" and the laws and regulations of the PRC and the relevant regulations and systems of the Group, we independently exercise internal audit authority for, assess the risk management of, and test the operational segment, financial system and economic efficiency of each department and each subsidiary, and inspect the completeness and effectiveness of the internal control system. For this purpose, the Group has established an Internal Audit Department led by the Internal Audit Executional Committee and issued the "Internal Audit Management System of China LNG Group Limited".

We strictly abide by the Company Law of the PRC, Tendering and Bidding Law of the PRC, Criminal Law of the PRC, Anti-unfair Competition Law of the PRC, the Interim Provisions on Banning Commercial Bribery and other laws and regulations. During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations relating to bribery, extortion, fraud and money laundering.

Internal Audit System

The scope of internal audit covers:

(1) Each subsidiary, management headquarter, department under the Group;

(2) Each project department; and

(3) Other matters and personnel.

The content of the internal audit includes:

(1) Financial activities and financial works, which mainly include the regulation of economic activities in relation to financial revenue and expenditure, the implementation and settlements of financial budgets, asset management and operation performance, authenticity, legality and efficiency of financial revenues and expenditures and other financial information, etc.;

(2) The internal control system of the Company, which mainly includes monitoring of the soundness of the internal control system, assessment of the effectiveness of implementation of the internal control system, and the internal control system's alignment with the expected goal;

(3) Economic business activities, which mainly include inventory receipt and delivery management, selling price management, sales returning amount and other business management processes and controlling measures of the process, the establishment of construction and fixed asset investment projects, funding sources, as well as budgets, settlements, completion and commencement of construction, etc., and joint ventures, associates, cooperative enterprises and project investment capital, property use and its effects; and

(4) The resignation audit, which mainly includes the performance of duties and work handover of senior management of the Company during their term of office, and the implementation of economic responsibility audits during the term of office.

B8. Community Investment

Corporate Social Responsibility

The Group takes an active stance on assuming corporate responsibility in order to enhance its corporate responsibility awareness, perform its social responsibilities. The Group has formulated the Corporate Social Responsibility Policy, and has integrated corporate social responsibility considerations into its operations, engage its stakeholders, and implement responsible corporate governance. We endeavors to achieve the goal of "Tackling Smog, Improving the Environment" by disclosing relevant information to the public:

(1) Nurturing and gradually incorporating the concept of corporate social responsibility into different areas of production and operation of the enterprise.

Over the short period of approximately four years since the commencement of LNG businesses, the Group has responded to the state's environmental protection policy, promoted the effective utilisation of natural gas and development of an environmental protection business, gradually deployed LNG utilisation in every province and city for industrial corporate users, and refined its supply chain system. Collectively these efforts have formed a healthy clean energy industry, greatly reduced pollutant emissions, fulfilled corporate social responsibilities, and earned the Group a sound corporate image. Staying true to its "Tackling Smog, Improving the Environment" concept, the Group has suggested guidelines to promote the development of an environmental protection business of clean energy in the PRC.

(2) Participating in the establishment of public association and platforms

The Group's fundamental platform for communicating with stakeholders has improved its public image and influence. The Group has maintained prompt communication with stakeholders, through issuing documents such as the ESG reports and making timely disclosures of important information, thus fulfilling its social responsibilities to stakeholders (including shareholders, employees, users, media and the community) and natural environment. The above efforts demonstrated the Group's dedication to "Tackling Smog, Improving the Environment".

Independent Auditor's Report

To the shareholders of China LNG Group Limited
(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of China LNG Group Limited (the "Company") and its subsidiaries (the "Group") set out on pages 50 to 141, which comprise the consolidated statement of financial position as at 31 March 2021, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2021, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to note 2.1(b) to the consolidated financial statements which indicates that the Group incurred a net loss of HK$109,437,000 for the year ended 31 March 2021 and as of that date, the Group had net current liabilities of HK$221,925,000. These conditions, along with other matters as set forth in note 2.1(b) to the consolidated financial statements, indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements.

In addition to the matter described in the "Material uncertainty related to going concern" section, we have determined to communicate in our report the following key audit matters for the year ended 31 March 2021.

KEY AUDIT MATTERS *(continued)*

Key audit matter	How our audit addressed the key audit matter
Impairment of receivables under LNG finance lease arrangements, LNG finance lease receivables, loan receivables and accounts receivables	
As at 31 March 2021, the gross amounts of receivables under LNG finance lease arrangements, LNG finance lease receivables, loan receivables and accounts receivables arising from dealing in securities and LNG business are HK$12,400,000, HK$26,360,000, HK$219,040,000, HK$5,885,000 and HK$61,169,000 respectively. As at 31 March 2021, reversal of impairment of HK$5,830,000, reversal of impairment of HK$2,924,000, impairment of HK$5,084,000, reversal of impairment of HK$761,000 and impairment of HK$10,442,000 were made against receivables under LNG finance lease arrangements, LNG finance lease receivables, loan receivables and accounts receivables arising from dealing in securities and LNG business, respectively, by management. In particular, in assessing the expected credit loss of loan receivables of HK$117,981,000, management estimated the future cash flows based on the expected disposal price through realising collateral. Significant judgement and estimation by management are involved in the assessment of impairment, based on the lifetime expected credit loss to be incurred, by taking into account the carrying amounts of these receivables, the estimation of future cash flows expected to arise from the settlement of the receivables or realisation of collateral. Both current and future general economic conditions are also taken into consideration by management in the estimation. The accounting policies, accounting judgements and estimates and disclosures for these receivables are included in notes 2.4, 2.5, 19, 20, 21, 22 and 38 to the consolidated financial statements.	Our audit procedures in relation to management's impairment assessment included: • Review management's assessment on the recoverability of these receivables balances with reference to various factors such as historical settlement trend and settlement received from customers subsequent to the end of the reporting period; • Check the accuracy of the ageing classification of these balances on a sample basis; • Evaluate management's assessment of the credit quality of individual customers based on the customer types and repayment patterns of customers, and examined the underlying value of the collateral; • Examine the information used by management to estimate the loss allowance for these receivables, including testing of the historical default data, evaluating adjustment made to the historical loss rates based on current economic conditions and forward-looking information by checking to the published macroeconomics factors; and • Assess the sufficiency of the disclosures.

KEY AUDIT MATTERS *(continued)*

Key audit matter	How our audit addressed the key audit matter
Impairment of property, plant and equipment	
As at 31 March 2021, the Group had property, plant and equipment of a net carrying amount of HK$490,742,000 representing approximately 31% of its total assets. Impairment testing was performed when impairment indicators were identified. Impairment loss incurred when the carrying amount of an asset exceeds its recoverable amount. Significant judgement and estimates from management is involved in estimating the recoverable amount of an asset using value-in-use method or fair value less costs of disposal. Certain key assumptions that require significant management judgement, including estimated useful life of the asset, costs expected to be incurred in replacing an asset and depreciation/obsolescence status of the asset, etc. are involved in the estimation by management with reference to an independent valuation carried out by an external valuer. The accounting policies, accounting judgements and estimates and disclosures for the property, plant and equipment are included in notes 2.4, 2.5 and 12 to the consolidated financial statements.	Our audit procedures in relation to management's impairment assessment included: • Review the management's valuation assessments and evaluate whether the method of estimation and assumptions made are appropriate; • Evaluate the competence, independence and works performed by experts engaged by the management to assess their estimation; and • Re-calculate the estimation made by the management.

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

* Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

* Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

* Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

* Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

* Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

* Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement director on the audit resulting in this independent auditor's report is Lam Kar Bo (Practising Certificate Number: P05453).

PKF Hong Kong Limited
Certified Public Accountants

26/F, Citicorp Centre
18 Whitfield Road
Causeway Bay
Hong Kong

29 June 2021

Consolidated Statement of Profit or Loss

Year ended 31 March 2021

	Notes	2021 HK$'000	2020 HK$'000
REVENUE	4	**775,235**	1,857,438
Cost of revenue		**(724,604)**	(1,848,363)
Gross profit		**50,631**	9,075
Other income and other gains and losses	4(ii)	**537**	1,009
Selling and distribution expenses		**(11,026)**	(19,470)
Administrative expenses		**(117,158)**	(116,682)
Reversal of impairment of receivables under LNG finance lease arrangements		**5,830**	1,195
Reversal of impairment/(impairment) of LNG finance lease receivables		**2,924**	(1,605)
Impairment of property, plant and equipment		**(14,466)**	(21,864)
Impairment of loan receivables		**(5,084)**	(63,221)
Reversal of impairment/(impairment) of accounts receivables arising from dealing in securities		**761**	(37,834)
Impairment of accounts receivables arising from LNG business		**(10,442)**	(14,004)
Impairment of interests in associates		**(2,081)**	(5,350)
Impairment of other receivables		**(3,056)**	–
Finance costs	6	**(7,798)**	(32,693)
Share of (losses)/profits of:			
Joint ventures		**(2,559)**	369
Associates		**(756)**	(3,465)
LOSS BEFORE TAX	5	**(113,743)**	(304,540)
Income tax credit/(expense)	9(a)	**4,306**	(2,218)
LOSS FOR THE YEAR		**(109,437)**	(306,758)
Attributable to:			
Owners of the parent		**(82,264)**	(252,203)
Non-controlling interests		**(27,173)**	(54,555)
		(109,437)	(306,758)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	11		
– Basic		**(HK1.46 cents)**	(HK4.47 cents)
– Diluted		**(HK1.46 cents)**	(HK4.47 cents)

Consolidated Statement of Comprehensive Income

Year ended 31 March 2021

	2021 HK$'000	2020 HK$'000
LOSS FOR THE YEAR	**(109,437)**	(306,758)
OTHER COMPREHENSIVE INCOME/(LOSS)		
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:		
Exchange differences arising on translation of:		
Foreign operations of subsidiaries	**47,570**	(81,306)
Foreign operations of joint ventures	**96**	–
Foreign operations of associates	**404**	–
Release of exchange reserve upon disposal of subsidiaries	**(546)**	(286)
	47,524	(81,592)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	**(61,913)**	(388,350)
Attributable to:		
Owners of the parent	**(57,823)**	(315,484)
Non-controlling interests	**(4,090)**	(72,866)
	(61,913)	(388,350)

Consolidated Statement of Financial Position

At 31 March 2021

	Notes	2021 HK$'000	2020 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment	12	**490,742**	470,054
Goodwill	13	**–**	876
Other intangible assets	14	**6,832**	7,216
Right-of-use assets	15	**152,220**	107,219
Interests in joint ventures	16	**42,012**	124,804
Interests in associates	17	**915**	7,622
Deposits for acquisition of plant and equipment		**144,348**	109,932
Deposits for acquisition of land use rights		**49,958**	110,621
Other assets	12	**309,007**	285,285
Statutory deposits		**200**	250
Total non-current assets		**1,196,234**	1,223,879
CURRENT ASSETS			
Inventories	18	**8,913**	10,585
Receivables under LNG finance lease arrangements	19	**–**	6,342
LNG finance lease receivables	20	**–**	6,468
Loan receivables	21	**112,357**	102,878
Accounts and other receivables, prepayments and deposits	22	**216,660**	284,620
Bank balances held on behalf of clients	23	**–**	1,590
Cash and cash equivalents	24	**68,420**	50,031
Total current assets		**406,350**	462,514
CURRENT LIABILITIES			
Accounts payables	25	**86,462**	86,731
Other payables and accruals	26	**463,978**	467,091
Interest-bearing bank borrowings	27	**23,656**	63,336
Lease liabilities	28	**52,561**	33,046
Tax payable		**1,618**	3,938
Total current liabilities		**628,275**	654,142
NET CURRENT LIABILITIES		**(221,925)**	(191,628)
TOTAL ASSETS LESS CURRENT LIABILITIES		**974,309**	1,032,251

Consolidated Statement of Financial Position

At 31 March 2021

	Notes	2021 HK$'000	2020 HK$'000
NON-CURRENT LIABILITIES			
Loans from a shareholder	26	**434,981**	468,781
Interest-bearing bank borrowings	27	**53,226**	–
Lease liabilities	28	**27,149**	46,471
Deferred tax liabilities	9(b)	**3,245**	4,330
Total non-current liabilities		**518,601**	519,582
Net assets		**455,708**	512,669
EQUITY			
Equity attributable to owners of the parent			
Share capital	29	**112,876**	112,876
Reserves	30	**(24,816)**	30,223
		88,060	143,099
Non-controlling interests		**367,648**	369,570
Total equity		**455,708**	512,669

Approved and authorised for issue by the board of directors on 29 June 2021.

Kan Che Kin, Billy Albert
Director

Li Kai Yien, Arthur Albert
Director

Consolidated Statement of Changes in Equity

Year ended 31 March 2021

	Attributable to owners of the Company								
	Share capital HK$'000	**Share premium** HK$'000	**Share option reserve** HK$'000	**Special reserve** HK$'000 (note 30)	**Exchange reserve** HK$'000	**Accumulated losses** HK$'000	**Total** HK$'000	**Non-controlling interests** HK$'000	**Total** HK$'000
At 1 April 2019	112,876	434,385	–	(11,594)	(14,707)	(63,152)	457,808	442,621	900,429
Loss for the year	–	–	–	–	–	(252,203)	(252,203)	(54,555)	(306,758)
Other comprehensive loss for the year, net of tax:									
Exchange differences arising on translation of:									
Foreign operations of subsidiaries	–	–	–	–	(62,995)	–	(62,995)	(18,311)	(81,306)
Release of exchange reserve upon disposal of subsidiaries	–	–	–	–	(286)	–	(286)	–	(286)
Total comprehensive loss for the year	–	–	–	–	(63,281)	(252,203)	(315,484)	(72,866)	(388,350)
Share-based payments	–	–	825	–	–	–	825	–	825
Cancellation of share options	–	–	(50)	–	–	–	(50)	–	(50)
Disposal of subsidiaries (note 32(c))	–	–	–	–	–	–	–	(185)	(185)
At 31 March 2020 and 1 April 2020	112,876	434,385*	775*	(11,594)*	(77,988)*	(315,355)*	143,099	369,570	512,669
Loss for the year	–	–	–	–	–	(82,264)	(82,264)	(27,173)	(109,437)
Other comprehensive income/(loss) for the year, net of tax:									
Exchange differences arising on translation of:									
Foreign operations of subsidiaries	–	–	–	–	24,487	–	24,487	23,083	47,570
Foreign operations of joint ventures	–	–	–	–	96	–	96	–	96
Foreign operations of associates	–	–	–	–	404	–	404	–	404
Release of exchange reserve upon disposal of subsidiaries	–	–	–	–	(546)	–	(546)	–	(546)
Total comprehensive income/(loss) for the year	–	–	–	–	24,441	(82,264)	(57,823)	(4,090)	(61,913)
Share-based payments	–	–	2,930	–	–	–	2,930	–	2,930
Cancellation of share options	–	–	(146)	–	–	–	(146)	–	(146)
Disposal of subsidiaries (note 32 (a), (b))	–	–	–	–	–	–	–	2,168	2,168
At 31 March 2021	112,876	434,385*	3,559*	(11,594)*	(53,547)*	(397,619)*	88,060	367,648	455,708

* These reserve accounts comprise the consolidated reserves of deficit of HK$24,816,000 (2020: surplus of HK$30,223,000) in the consolidated statement of financial position.

Consolidated Statement of Cash Flows

Year ended 31 March 2021

	Notes	2021 HK$'000	2020 HK$'000
CASH FLOW FROM OPERATING ACTIVITIES			
Loss before tax:		**(113,743)**	(304,540)
Adjustments for:			
Loss/(gain) on disposal of subsidiaries		**2,649**	(8,544)
Loss on deregistration of associates		**4,029**	–
Loss on disposal of items of property, plant and equipment		**2,616**	4,070
Bank interest income		**(334)**	(406)
Finance costs		**7,798**	32,693
Share of losses of associates		**756**	3,465
Share of losses/(profits) of joint ventures		**2,559**	(369)
Depreciation of property, plant and equipment		**55,861**	49,465
Depreciation of right-of-use assets		**33,207**	14,787
Amortisation of other intangible assets		**954**	1,308
Reversal of impairment of receivables under LNG finance lease arrangements		**(5,830)**	(1,195)
(Reversal of impairment)/impairment of LNG finance lease receivables		**(2,924)**	1,605
Impairment of loan receivables		**5,084**	63,221
Impairment of other receivables		**3,056**	–
Impairment of goodwill		**920**	–
Impairment of property, plant and equipment		**14,466**	21,864
(Reversal of impairment)/impairment of accounts receivables arising from dealing in securities		**(761)**	37,834
Impairment of accounts receivables arising from LNG business		**10,442**	14,004
Impairment of interests in associates		**2,081**	5,350
Share-based payments		**2,930**	775
Operating profit/(loss) before working capital changes		**25,816**	(64,613)
Decrease in inventories		**2,474**	9,379
Decrease in bank balances held on behalf of clients		**1,590**	13,657
Decrease in receivables under LNG finance lease arrangements		**10,942**	11,221
Decrease in LNG finance lease receivables		**7,229**	382
(Increase)/decrease in loan receivables		**(3,654)**	20,705
Decrease/(increase) in accounts and other receivables, prepayments and deposits		**15,268**	(8,790)
(Decrease)/increase in accounts and other payables		**(18,668)**	60,010
Cash generated from operations		**40,997**	41,951
Hong Kong profits tax refunded		**441**	–
Oversea taxes paid		**(155)**	(1,631)
Net cash flows from operating activities		**41,283**	40,320

Consolidated Statement of Cash Flows

Year ended 31 March 2021

	Notes	2021 HK$'000	2020 HK$'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		**334**	406
Deposits paid for acquisition of property, plant and equipment		**(25,757)**	(12,394)
Deposits paid for acquisition of land use rights		**(1,090)**	(27,197)
Refund of disposits paid for acquisition of land use rights		**9,994**	–
Purchase of property, plant and equipment		**(64,848)**	(53,946)
Proceeds from disposal of items of property, plant and equipment		**3,701**	134,304
Advance of a loan to a joint venture		**–**	(1,034)
Reduction of registered capital of a joint venture		**87,715**	–
Disposal of subsidiaries	32	**3,609**	17,536
Net cash flows from investing activities		**13,658**	57,675
CASH FLOWS FROM FINANCING ACTIVITIES			
Loans from a shareholder		**2,007**	18,940
Repayment to a shareholder		**(36,899)**	(42,552)
Repayment of loans from third parties		**–**	(44,795)
New bank loans		**80,262**	98,710
Repayment of bank loans		**(72,236)**	(83,927)
Capital element of lease liabilities paid		**(5,385)**	(19,895)
Interest element of lease liabilities paid		**(3,573)**	(3,762)
Repayment of loans from joint ventures		**–**	(47,907)
Interest paid on interest-bearing bank borrowings		**(4,104)**	(2,802)
Interest paid on loans from third parties		**(121)**	(2,913)
Interest paid on loans from a shareholder		**–**	(4,277)
Net cash flows used in financing activities		**(40,049)**	(135,180)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**14,892**	(37,185)
Effect of foreign exchange rate changes, net		**3,497**	(13,172)
Cash and cash equivalents at beginning of the year		**50,031**	100,388
CASH AND CASH EQUIVALENTS AT END OF THE YEAR, REPRESENTED BY BANK BALANCES AND CASH		**68,420**	50,031

1. CORPORATE AND GROUP INFORMATION

China LNG Group Limited is a limited liability company incorporated in the Cayman Islands and listed on the Main Board of The Stock Exchange of Hong Kong Limited ("Stock Exchange").

The registered office address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The principal place of business of the Company in Hong Kong is located at 8th floor, St. John's Building, 33 Garden Road, Central, Hong Kong.

The Company is an investment holding company and the principal activities of the Group are the development of liquefied natural gas ("LNG") businesses, including (i) in the People's Republic of China (the "PRC"), point-to-point supply and the wholesale of LNG and gas pipeline connection, the provision of LNG logistic services, provision of finance leasing services for LNG vehicles and equipment as approved by Chinese Ministry of Foreign Trade and Economic Cooperation; and (ii) in Hong Kong, the trading of securities, the provision of securities brokerage and investment advisory service, margin financing and securities investments and financial services through the money lending business.

The Group ceased its securities brokerage and margin financing business during the year.

Information about subsidiaries

Particulars of the Company's principal subsidiaries are as follows:

Name	Place of incorporation/ establishment and business	Issued ordinary/ registered share capital		Percentage of equity attributable to the Company		Principal activities
		2021	2020	**2021**	2020	
China LNG Limited	Hong Kong	**HK$40,000,000**	HK$40,000,000	**100%**	100%	Investment holdings
Key Fit Group Limited	Hong Kong	**HK$700,000,000**	HK$700,000,000	**60.42%**	60.42%	Investment holdings and trading of securities
China Hong Kong Capital Finance Limited[1]	Hong Kong	**HK$14,000,000**	HK$14,000,000	**60.42%**	60.42%	Financial service through money lending business
China Hong Kong Capital Asset Management Company Limited [1]	Hong Kong	**HK$400,000,000**	HK$400,000,000	**60.42%**	60.42%	Provision of investment advisory service and securities investments
港能國際融資租賃有限公司[1,5,6] (China LNG Finance Leasing Co., Ltd.)*	PRC/Mainland China	**US$165,000,000 (Paid up US$97,643,100)**	US$165,000,000 (Paid up US$93,067,200)	**60.42%**	60.42%	Finance leasing services for LNG vehicles and equipment
港宇供應鏈管理(上海)有限公司[1,2,6] (Great Trend Investment Management (Shanghai) Co., Ltd.)*	PRC/Mainland China	**RMB67,000,000 (Paid up RMB13,056,000)**	RMB67,000,000 (Paid up RMB13,056,000)	**100%**	100%	LNG vehicles services and new energy related business

1. CORPORATE AND GROUP INFORMATION *(continued)*

Information about subsidiaries *(continued)*

Name	Place of incorporation/ establishment and business	Issued ordinary/ registered share capital 2021	2020	Percentage of equity attributable to the Company 2021	2020	Principal activities
港強天然氣上海有限公司[1,4,6] (Gangqiang Natural Gas Shanghai Co., Ltd.)*	PRC/Mainland China	**RMB100,000,000 (Paid up RMB15,000,000)**	RMB100,000,000 (Paid up RMB15,000,000)	**60%**	60%	Development and operation of oil-to-gas conversion and LNG refueling facilities on floating barges, development of LNG related technologies,operation of LNG refueling stations, trading of gas ignition equipment and utilisation of new energy sources
港能投資(珠海)有限公司[1,2,6] (CLNG Investment (Zhuhai) Co., Limited)*	PRC/Mainland China	**US$100,000,000 (Paid up US$83,494,500)**	US$100,000,000 (Paid up US$83,494,500)	**100%**	100%	Investment holdings
上海港弘船舶租賃有限公司[1,4,6] (Shanghai Ganghong Ship Leasing Co., Ltd)* (Formerly known as 上海港宏融資租賃有限公司 (Shanghai Ganghong Finance Leasing Co., Ltd.))*	PRC/Mainland China	**US$10,000,000 (Paid up US$1,324,793)**	US$10,000,000 (Paid up US$375,000)	**60.42%**	60.42%	Finance leasing services for LNG vehicles and equipment
山東港能能源有限公司[1,3,6] (CLNG Shandong Energy Co., Ltd.)*	PRC/Mainland China	**RMB20,000,000 (Paid up RMB20,000,000)**	RMB20,000,000 (Paid up RMB20,000,000)	**100%**	100%	LNG supply and management Mainland China
浙江港能天然氣利用有限責任公司[1,3,6] (Zhejiang CLNG Natural Gas., Ltd.)*	PRC/Mainland China	**RMB50,000,000 (Paid up RMB15,000,000)**	RMB50,000,000 (Paid up RMB15,000,000)	**100%**	100%	Construction and operation of natural gas filling stations and LNG supply
港能天然氣有限責任公司[1,3,6] (CLNG Natural Gas Co., Ltd.)*	PRC/Mainland China	**RMB600,000,000 (Paid up RMB394,719,503)**	RMB600,000,000 (Paid up RMB394,719,503)	**100%**	100%	Investment holding
陝西港通能源有限公司[1,3,6] (Shaanxi Gangtong Neng Yuan Co., Ltd.)*	PRC/Mainland China	**RMB30,000,000 (Paid up RMB30,000,000)**	RMB30,000,000 (Paid up RMB30,000,000)	**100%**	100%	Wholesale of ethanol and liquefied petroleum gas and LNG supply and management
河北德眾燃氣貿易有限公司[1,2,6] (Hebei Dezhong Gas Trading Co., Ltd)*	PRC/Mainland China	**RMB9,590,300 (Paid up RMB8,660,640)**	RMB9,590,300 (Paid up RMB8,660,640)	**100%**	100%	Sales and distribution of LNG, LNG supply and management
湖北港順天然氣有限公司[1,3,6] (Hubei Gangshun Tian Ran Qi Co., Ltd.)*	PRC/Mainland China	**RMB50,000,000 (Paid up RMB12,000,000)**	RMB50,000,000 (Paid up RMB12,000,000)	**100%**	100%	Sales and distribution of LNG, LNG supply and management

1. CORPORATE AND GROUP INFORMATION *(continued)*

Information about subsidiaries *(continued)*

Name	Place of incorporation/ establishment and business	Issued ordinary/ registered share capital 2021	2020	Percentage of equity attributable to the Company 2021	2020	Principal activities
寧波港燃汽車銷售有限公司[1,3,6] (Ningbo Gangran Vehicles Trading Co., Ltd.)*	PRC/Mainland China	**RMB10,000,000 (Paid up RMBNil)**	RMB10,000,000 (Paid up RMBNil)	**100%**	100%	Sales of LNG vehicles
徐州港能能源有限公司[1,4,6] (CLNG (Xuzhou) Energy Co., Ltd.)*	PRC/Mainland China	**RMB10,000,000 (Paid up RMB4,900,000)**	RMB10,000,000 (Paid up RMB4,900,000)	**55%**	55%	Sales and distribution of LNG, LNG supply and management
港宏天然氣無錫有限公司[1,4,6] (Ganghong Natural Gas Wuxi Co. Ltd.)*	PRC/Mainland China	**RMB30,000,000 (Paid up RMB1,500,000)**	RMB30,000,000 (Paid up RMB1,500,000)	**51%**	51%	Sales and distribution of LNG, LNG supply and management
港能(天津)貿易有限公司[4,6] (CLNG (Tianjin) Trading Co., Ltd.)*	PRC/Mainland China	**RMB10,000,000 (Paid up RMB5,000,000)**	RMB10,000,000 (Paid up RMB5,000,000)	**51%**	51%	Provision on LNG logistics services
六安市港能天然氣有限公司[4,6] (CLNG (Liu An Shi) Co. Ltd.)*	PRC/Mainland China	**RMB10,000,000 (Paid up RMB8,351,000)**	RMB10,000,000 (Paid up RMB8,351,000)	**60%**	60%	Sales and distribution of LNG, LNG supply and management
山東奧海天然氣資源技術有限公司[2,6] Shandong Aohai Natural Gas Technology Co., Ltd.* ("Shandong Aohai")	PRC/Mainland China	**RMB10,000,000 (Paid up RMB6,004,920)**	RMB10,000,000 (Paid up RMB6,004,920)	**100%**	100%	Sales and distribution of LNG, LNG supply and management
河南港運新能源有限公司[4,6] (Hanan Gangyun Energy Co., Ltd.)*	PRC/Mainland China	**RMB10,000,000 (Paid up RMB3,223,000)**	RMB10,000,000 (Paid up RMB3,223,000)	**55%**	55%	Sales and distribution of LNG, LNG supply and management
港匯天然氣銷售河北有限公司[4,6] (Ganghui Natural Gas Trading Hebei Co., Ltd.)*	PRC/Mainland China	**RMB10,000,000 (Paid up RMB1,250,000)**	RMB10,000,000 (Paid up RMB1,250,000)	**60%**	60%	Sales and distribution of LNG, LNG supply and management
陝西港能物流有限公司[2,6] (CLNG (Shaanxi) Logistic Co., Ltd.)*	PRC/Mainland China	**RMB200,000,000 (Paid up RMB23,500,000)**	RMB200,000,000 (Paid up RMB23,500,000)	**100%**	100%	Provision of LNG logistics services
青島奧博順拓氣體有限公司[4,6] (Qingdao Aobo Shunta Gas Co., Ltd.)*	PRC/Mainland China	**RMB6,122,400 (Paid up RMB6,122,400)**	RMB6,122,400 (Paid up RMB6,122,400)	**51%**	51%	Sales and distribution of LNG, LNG supply and management

1. CORPORATE AND GROUP INFORMATION *(continued)*

Information about subsidiaries *(continued)*

Name	Place of incorporation/ establishment and business	Issued ordinary/ registered share capital 2021	2020	Percentage of equity attributable to the Company 2021	2020	Principal activities
港能(天津)能源有限公司[3,6] (CLNG Tianjin Energy Co. Ltd)*	PRC/Mainland China	**RMB510,000,000 (Paid up RMB497,978,771)**	RMB510,000,000 (Paid up RMB497,978,771)	**100%**	100%	Investment holding
港縱貿易(珠海)有限公司[3,6] (Gangzong Trading (Zhuhai) Co., Ltd.) (Formerly known as 港縱貿易(上海)有限公司)	PRC/Mainland China	**RMB1,000,000,000 (Paid up RMB427,000,000)**	RMB1,000,000,000 (Paid up RMB427,000,000)	**100%**	100%	Investment holding
上海亞東宏華集裝箱運輸有限公司[4,6] (Shanghai YaDong Hong Hua Ji Zhuang Xiang Yun Shu Co., Ltd.)*	PRC/Mainland China	**RMB30,000,000 (Paid up RMB30,000,000)**	RMB30,000,000 (Paid up RMB4,770,000)	**99.9%**	99.9%	Provision of LNG logistic services
石家莊盛冉燃氣貿易有限公司[3,6] (Shijiazhuang Sheng Ran Gas Trading Mainland China Co., Ltd.)*	PRC/Mainland China	**RMB80,000,000 (Paid up RMB80,000,000)**	RMB80,000,000 (Paid up RMB80,000,000)	**100%**	100%	Trading of natural gas and transportation
河北港盛能源有限公司[3,6] (Hebei Gangsheung Energy Co., Ltd.)*	PRC/Mainland China	**RMB30,000,000 (Paid up RMB12,000,000)**	RMB30,000,000 (Paid up RMB12,000,000)	**100%**	100%	Sales and distribution of LNG supply
河北港瑞天然氣有限公司[4,6] (Hebei Gangrui Natural Gas Co., Ltd.)*	PRC/Mainland China	**RMB20,000,000 (Paid up RMB18,583,689)**	RMB20,000,000 (Paid up RMB18,583,689)	**80%**	80%	Sales and distribution of LNG supply
港能天然氣鄆城有限公司[3,6] (CLNG Haocheng Natural Gas Co., Ltd.)*	PRC/Mainland China	**RMB10,000,000 (Paid up RMB4,050,000)**	RMB10,000,000 (Paid up RMB4,050,000)	**100%**	100%	Sales and distribution of LNG supply
港能(湖北)能源有限公司[3,6] (CLNG Hubei Energy Co., Ltd.)*	PRC/Mainland China	**RMB10,000,000 (Paid up RMB10,000,000)**	RMB10,000,000 (Paid up RMB10,000,000)	**100%**	100%	Sales and distribution of LNG supply
湖北鼎環新能源有限公司[3,6] (Hubei Dinghuan New Energy Co., Ltd.)*	PRC/Mainland China	**RMB10,000,000 (Paid up RMB1,272,058)**	RMB10,000,000 (Paid up RMB1,272,058)	**100%**	100%	Sales and distribution of LNG supply
江蘇港易達能源有限公司[3,6] (Jiangsu Gangyida Energy Co., Ltd.)*	PRC/Mainland China	**RMB10,000,000 (Paid up RMB2,000,000)**	RMB10,000,000 (Paid up RMB2,000,000)	**100%**	100%	Investment holding
港能(深圳)能源有限公司[3,6] (CLNG Shenzhen) Energy Co., Ltd.)*	PRC/Mainland China	**RMB20,000,000 (Paid up RMB5,000,000)**	RMB20,000,000 (Paid up RMB5,000,000)	**100%**	100%	Investment holding

1. CORPORATE AND GROUP INFORMATION *(continued)*

Information about subsidiaries *(continued)*

Name	Place of incorporation/ establishment and business	Issued ordinary/ registered share capital 2021	Issued ordinary/ registered share capital 2020	Percentage of equity attributable to the Company 2021	Percentage of equity attributable to the Company 2020	Principal activities
上海港能能源有限公司[3,6] (Shanghai Gangneng Energy Co., Ltd.)*	PRC/Mainland China	**US$180,000,000 (Paid up US$Nil)**	US$180,000,000 (Paid up US$Nil)	**100%**	100%	Consultancy service on LNG
寧波港林天然氣利用有限公司[3,6] (Ningbo Ganglin Co., Ltd.)*	PRC/Mainland China	**RMB100,000,000 (Paid up RMB30,000,000)**	RMB100,000,000 (Paid up RMB30,000,000)	**100%**	100%	Sales and distribution of LNG supply
江陰宏偉運輸有限公司[3,6] (Jiang Yin Hongwei Transportation Co., Ltd.)*	PRC/Mainland China	**RMB10,300,000 (Paid up RMB6,850,000)**	RMB10,300,000 (Paid up RMB6,850,000)	**100%**	100%	Sales and distribution of LNG supply
湖北錦盛天然氣有限公司[3,6] (Hubei Jinsheng Natural Gas Co., Ltd.)*	PRC/Mainland China	**RMB100,000,000 (Paid up RMB10,000,000)**	RMB100,000,000 (Paid up RMB10,000,000)	**100%**	100%	Sales and distribution of LNG. LNG supply and management
港海能源(廣水)有限公司[3,6] (Ganghai Energy (Guangshui) Co., Ltd.)*	PRC/Mainland China	**RMB250,000,000 (Paid up RMB28,200,000)**	RMB250,000,000 (Paid up RMBNil)	**100%**	100%	LNG Supply and management, construction and operation of natural gas filling stations and development of LNG related technologies
景德鎮港興天然氣有限公司[4,6] (Jingdezhen Gangxing Natural Gas Co., Ltd.)*	PRC/Mainland China	**RMB142,870,000 (Paid up RMB10,000,000)**	–	**70%**	–%	Sales and distribution of LNG, LNG supply and management

Notes:

1 Held through subsidiaries.

2 They are wholly-foreign-owned enterprises under PRC law.

3 They are wholly-owned domestic enterprises indirectly held by the Company's subsidiaries.

4 They are non-wholly-owned domestic enterprises indirectly held by the Company's subsidiaries.

5 They are non-wholly-owned foreign owned enterprises under PRC law.

6 Subsidiaries whose statutory financial statements were not audited by PKF Hong Kong Limited or another member firm of the PKF global network.

* English company name translated for identification purposes only.

1. CORPORATE AND GROUP INFORMATION *(continued)*

Information about subsidiaries *(continued)*

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Company. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

2.1 BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention. These consolidated financial statements are presented in Hong Kong dollar ("HK$") and all values are rounded to the nearest thousand unless otherwise stated.

(a) Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 March 2021. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributable to the ordinary equity holders of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or accumulated losses, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.1 BASIS OF PREPARATION *(continued)*

(b) Adoption of the going concern basis

When preparing the consolidated financial statements, the Group's ability to continue as a going concern has been assessed. The consolidated financial statements have been prepared by the directors on a going concern basis notwithstanding that the Group incurred a loss of HK$109,437,000 for the year ended 31 March 2021 and as of that date, the Group had net current liabilities of HK$221,925,000 as the directors considered that:

(1) Dr. Kan Che Kin, Billy Albert ("Dr. Kan"), being the beneficial owner and controlling shareholder of the Company, will provide continuing financial support to the Group;

(2) The Company entered into loan facility agreements with Dr. Kan in relation to the provision of standby facilities of HK$800,000,000 to the Company by Dr. Kan and the Group had unutilised facilities of approximately HK$365,019,000 as at 31 March 2021; and

(3) The Group is taking measures to tighten controls over various costs and actively enhance its market position in the LNG industry by expanding its customer base with the aim to attain profitable and positive cash flow operations in the coming financial year.

After taking into consideration of the above factors and funds expected to be generated internally based on the directors' estimation on the future cash flow of the Group, the directors are satisfied that the Group will have sufficient financial resources to meet its financial obligations as they fall due in the foreseeable future and consider that it is appropriate for the consolidated financial statements to be prepared on a going concern basis.

2.2 INITIAL APPLICATION OF HKFRSs

In the current year, the Group initially applied the following new and revised HKFRSs:

Amendments to HKFRS 3	Definition of a Business
Amendments to HKAS 1 and HKAS 8	Definition of Material
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform
Amendments to HKFRS 16	COVID-19-Related Rent Concession (early adopted)
Conceptual Framework for Financial Reporting	Revised Conceptual Framework for Financial Reporting

The adoption of the above new and revised HKFRSs in the current year had no material impact on these consolidated financial statements for the current and prior years.

2.3 ISSUED BUT NOT YET EFFECTIVE HKFRSs

The following HKFRSs in issue at 31 March 2021 have not been applied in the preparation of these consolidated financial statements since they were not yet effective for the annual period beginning on 1 April 2020:

HKFRS 17	Insurance Contracts and the related Amendments [1]
Amendments to HKFRS 3	Reference to the Conceptual Framework [2]
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2 [4]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture [3]
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) [1]
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use [2]
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract [2]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018 – 2020 [2]

2.3 ISSUED BUT NOT YET EFFECTIVE HKFRSs *(continued)*

[1] Effective for annual periods beginning on or after 1 April 2023
[2] Effective for annual periods beginning on or after 1 April 2022
[3] Effective for annual periods beginning on or after a date to be determined
[4] Effective for annual periods beginning on or after 1 April 2021

The Group is in the process of making an assessment of what the impact of these HKFRSs is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Investments in associates and joint ventures

An associate is an entity in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it is in a position to exercise significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group's interests in associates and joint ventures are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses.

The Group's share of the post-acquisition results and other comprehensive income of associates and joint ventures is included in the consolidated statement of profit or loss and consolidated statement of comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, where applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's investments in the associates or joint ventures, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates or joint ventures is included as part of the Group's investments in associates or joint ventures.

If an investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. In all other cases, upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

When an investment in an associate or a joint venture is classified as held for sale, it is accounted for in accordance with HKFRS 5 "Non-current Assets Held for Sale and Discontinued Operations".

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at the end of each reporting period. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Fair value measurement

The Group measures its financial assets at fair value through profit or loss and derivative financial instruments at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1	–	based on quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2	–	based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
Level 3	–	based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Impairment of non-financial assets

When an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories and financial assets), the asset's recoverable amount is calculated as the higher of the asset's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the profit or loss in the period in which it arises.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person

- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

(b) the party is an entity where any of the following conditions applies:

- (i) the entity and the Group are members of the same group;
- (ii) one entity is an associate or a joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
- (iii) the entity and the Group are joint ventures of the same third party;
- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
- (vi) the entity is controlled or jointly controlled by a person identified in (a);
- (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Property, plant and equipment and depreciation

Property, plant and equipment, including the right-of-use assets arising from leases of the underlying plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the assets to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Property, plant and equipment and depreciation *(continued)*

Valuations are performed frequently enough to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. Changes in the values of property, plant and equipment are dealt with as movements in the asset revaluation reserve. If the total of this reserve is insufficient to cover a deficit, on an individual asset basis, the excess of the deficit is charged to the profit or loss. Any subsequent revaluation surplus is credited to the profit or loss to the extent of the deficit previously charged. An annual transfer from the asset revaluation reserve to accumulated losses is made for the difference between the depreciation based on the revalued carrying amount of an asset and the depreciation based on the asset's original cost. On disposal of a revalued asset, the relevant portion of the asset revaluation reserve realised in respect of previous valuations is transferred to accumulated losses as a movement in reserves.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Furniture and fixtures	20%-33$^{1}/_{3}$%
Leasehold improvements	Over the shorter of the lease terms and 25%
Equipment and machinery	5%-33$^{1}/_{3}$%
Motor vehicles	10%-25%
Building	3$^{1}/_{3}$%-5%
Yacht	20%
Right-of-use assets – Land use rights	Over the lease terms
Right-of-use assets – Properties	Remaining lease term from 1 April 2019
Right-of-use assets – Containers	Over the lease terms

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress represents buildings and equipment and machinery under construction, which is stated at cost less any impairment losses, and is not depreciated. Cost comprises the direct costs of construction and capitalised borrowing costs on related borrowed funds during the period of construction. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Road transportation operation permits of dangerous goods

Purchased permits are stated at cost less any impairment losses and are amortised on the straight-line basis over their estimated useful lives of 10 years.

Leases

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

As a lessee

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less and leases of low-value assets. When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses, except for the right-of-use assets that meet the definition of investment property are carried at fair value.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or there is a change arising from the reassessment of whether the Group will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets and lease liabilities separately in the consolidated statement of financial position.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under HKFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Investments and other financial assets *(continued)*

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through other comprehensive income, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the consolidated statement of financial position at fair value with net changes in fair value recognised in profit or loss.

This category includes derivative instruments and equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on equity investments classified as financial assets at fair value through profit or loss are also recognised as other income in profit or loss when the right of payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

The Group considers a financial asset in default when contractual payments are 270 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Impairment of financial assets *(continued)*

General approach *(continued)*

For receivables from margin clients and cash clients, the Group considers there has been a significant increase in credit risk when clients cannot meet the margin call requirement and uses the loan-to-collateral value ("LTV") to make its assessment. However, in certain cases, the Group may also consider a margin client receivable to be in default when there is a margin shortfall which indicates the Group is unlikely to receive the outstanding contractual amounts in full taking into account the pledged securities held by the Group. A margin client receivable is written off when there is no reasonable expectation of recovering the contractual cash flows.

Debt investments at fair value through other comprehensive income and financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for receivables under finance lease arrangements, LNG finance lease receivables and accounts receivables under LNG business which apply the simplified approach as detailed below.

Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs

Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For receivables under finance lease arrangements, LNG finance lease receivables and accounts receivables under LNG business that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For receivables under finance lease arrangements, LNG finance lease receivables and accounts receivables under LNG business that contain a significant financing component, the Group chooses as its accounting policy to adopt the simplified approach in calculating ECLs with policies as described above.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Derecognition of financial assets *(continued)*

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include accounts payables, other payables and accruals, interest-bearing bank borrowings, lease liabilities and loans from a shareholder.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. A financial guarantee contract is recognised initially as a liability at its fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee.

Subsequent to initial recognition, the Group measures the financial guarantee contracts at the higher of: (i) the ECL allowance determined in accordance with the policy as set out in "Impairment of financial assets"; and (ii) the amount initially recognised less, when appropriate, the cumulative amount of income recognised.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial liabilities *(continued)*

Initial recognition and measurement *(continued)*

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Inventories

Inventories are stated at the lower of cost, on the first-in, first-out basis, and net realisable value after making due allowance for any obsolete or slow-moving items. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the consolidated statement of financial position, cash and bank balances comprise cash on hand and at banks, including term deposits, which are not restricted as to use.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in profit or loss.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, which it is intended to compensate, are expensed.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries and associates, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in HKFRS 15.

(a) Sales and distribution of LNG

Revenue from the sale of LNG is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of LNG.

(b) Provision of LNG logistic services and other services

Revenue from the provision of LNG logistic services and other services is recognised when the underlying services have been rendered in accordance with the terms of service agreements.

(c) LNG finance lease and provision of loan finance services

Income from finance lease and the provision of loan finance services is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts through the expected life of the net investment of finance lease/loan or a shorter period, when appropriate, to the net carrying amount of the net investment of finance lease/loan.

(d) Provision of broking services

Commission and brokerage income is recognised when the customer has received the service from the Group, generally when the trades are executed. Commission income on securities dealing and broking is generally due within two days after the trade date.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Revenue recognition *(continued)*

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received a consideration (or an amount of consideration that is due) from the customer. If a customer pays the consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

Employee benefits

Pension schemes

The Group's employer contributions vest fully with the employees when contributed into the Mandatory Provident Fund retirement benefit (the "MPF Scheme"), except for the Group's employer voluntary contributions, which are refunded to the Group when the employee leaves employment prior to the contributions vesting fully, in accordance with the rules of the MPF Scheme.

The employees of the Group's subsidiaries which operate in Mainland China are required to participate in central pension schemes operated by the local municipal governments. These subsidiaries are required to contribute a certain portion of its payroll costs to the central pension schemes. The contributions are charged to the profit or loss as they become payable in accordance with the rules of the central pension schemes.

Termination benefits

Termination benefits are recognised at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises restructuring costs involving the payment of termination benefits.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Employee benefits *(continued)*

Share-based payement arrangements

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share option reserve). For share options that vest immediately at the date of grant, the fair value of the share options granted is expensed immediately to profit or loss. At the end of each reporting period, the Group revises its estimates of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share option reserve.

When share options are exercised, the amount previously recognised in share option reserve will be transferred to share premium. When share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share option reserve will be transferred to accumulated losses.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e. assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Bank balances held on behalf of clients

The Group has classified the clients' monies as bank balances held on behalf of customers under the current assets section of the statement of financial position as the Group is allowed to retain some or all of the interest income on the clients' monies and recognised a corresponding accounts payable to the respective clients on grounds that is liable for any loss or misappropriation of clients' monies. Under the Hong Kong Securities and Futures Ordinance (Cap. 571), the Company is not allowed to use the clients' monies to settle its own obligation.

Foreign currencies

These consolidated financial statements are presented in Hong Kong dollar, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Foreign currencies *(continued)*

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The functional currencies of certain overseas subsidiaries are currencies other than Hong Kong dollar. As at the end of the reporting period, the assets and liabilities of these entities are translated into Hong Kong dollar at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into Hong Kong dollar at the weighted average exchange rates for the year. The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into Hong Kong dollar at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into Hong Kong dollar at the weighted average exchange rates for the year.

2.5 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of these consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgement

In the process of applying the Group's accounting policies, management has made the following judgement, apart from those involving estimations, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Current and deferred tax

The Group is subject to income taxes in a number of jurisdictions. Significant judgement is required in determining the amount of the provision for tax and the timing of payment of the related taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will have an impact on the income tax and deferred tax provisions in the period in which such determination is made. Further details are disclosed in note 9 to the consolidated financial statements.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

2.5 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES *(continued)*

Estimation uncertainty *(continued)*

Useful lives and residual values of items of property, plant and equipment

The estimation of the useful life of the asset is based on the experience of the Group with similar assets that are used in a similar way. Adjustment of depreciation is made if the estimated useful lives and/or the residual values of items of property, plant and equipment are different from previous estimation. Useful lives and residual values are reviewed at the end of each reporting period, based on changes in circumstances.

Impairment of property, plant and equipment

The Group determines whether property, plant and equipment is impaired at least on an annual basis. This requires an estimation of the replacement cost of property, plant and equipment at 31 March 2021. Estimating the replacement cost requires the Group to make an estimate of the expected dollar value that would be required to replace the production capability of the present assets in the property, plant and equipment. Further details are disclosed in note 12 to the consolidated financial statements.

Net realisable value of inventories

Net realisable value of inventories is the estimated selling price in the ordinary course of business less estimated selling expenses. These estimates are based on the current market conditions and the historical experience of selling merchandise of similar nature. It could change significantly as a result of changes in customer preference or competitor actions. The Group reassesses these estimates at the end of each reporting period.

Provision for expected credit losses on LNG finance lease arrangements, LNG finance lease receivables and accounts receivables arising from LNG business

The Group uses a provision matrix to calculate ECLs for LNG finance lease arrangements, LNG finance lease receivables and accounts receivables arising from LNG business. The provision rates are based on days past due.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. Reversal of impairment of HK$5,830,000, HK$2,924,000 and impairment of HK$10,442,000 are made to receivables under LNG finance lease arrangements, LNG finance lease receivables and accounts receivables arising from LNG business, respectively. The information about the ECLs on these receivables are disclosed in notes 19, 20 and 22 to the consolidated financial statements.

2.5 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES *(continued)*

Estimation uncertainty *(continued)*

Impairment assessment of loan receivables and accounts receivables from margin clients and cash clients

The Group calculates the ECLs of receivables from margin clients and cash clients by estimating the probability of decline in expected future collateral prices, with adjustment to reflect the current conditions and forecasts of future economic conditions, as appropriate. As part of a qualitative assessment of whether a counterparty is in default, the Group also considers a variety of instances that may indicate unlikeliness to pay. When certain events occur, the Group carefully considers whether the events should result in determining the counterparties as defaulted and therefore assesses whether the classification as stage 3 for ECL calculation is appropriate. Impairment of HK$5,084,000 and reversal of impairment of HK$761,000 are made to loan receivables and accounts receivables arising from dealing in securities, respectively. Further details of loan receivables and accounts receivables from margin clients and cash clients are given in notes 21 and 22 to the consolidated financial statements.

Impairment of investments in joint ventures, associates and their goodwill

The Group tests whether the investments in joint ventures, associates and their goodwill have suffered any impairment, in accordance with the accounting policy stated in note 2.4 to the consolidated financial statement. The recoverable amount of the investment is the higher of the asset's fair value less costs to sell and value in use. The balance of goodwill is determined with respect to a discounted cash flow model on the joint ventures and associates acquired. These calculations require the use of estimates. Impairment of HK$2,081,000 is made to interests in associates. Further details are disclosed in notes 16 and 17 to the consolidated financial statements.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has eight reportable operating segments as follows:

(a) Sales and distribution of LNG including wholesale of LNG and point-to-point supply of LNG;

(b) Provision of LNG logistic services;

(c) Finance leasing for LNG vehicles and equipment;

(d) Provision of LNG in the midstream and downstream market through fuelling/refuelling of LNG in road refuelling stations for commercial vehicles and water refuelling stations for vessels and specific designed refuelling facilities for equipment;

(e) Commercial vehicle platform services through the Group's Environmental Green Club ("綠擎匯"), including provision of the commercial vehicles users long distance IT control, insurance handling and purchase/sale of their new/used LNG/diesel vehicles;

(f) Trading of securities;

(g) Provision of securities brokerage, margin financing and securities investments services in Hong Kong; and

(h) Financial services through money lending business.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax from operations. The adjusted profit/loss before tax from operations is measured consistently with the Group's profit/loss before tax from operations except that other income and other gains and losses, finance costs as well as corporate and other unallocated expenses are excluded from such measurement.

Segment assets mainly exclude cash and cash equivalents, and other unallocated assets as these assets are managed on a group basis.

Segment liabilities mainly exclude interest-bearing bank borrowings, tax payable, deferred tax liabilities, and other unallocated liabilities as these liabilities are managed on a group basis.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

3. OPERATING SEGMENT INFORMATION *(continued)*

	Sales and distribution of LNG		Provision of LNG logistic services		Finance leasing for LNG vehicles and equipment		Provision of LNG in the midstream and downstream market		Provision of commercial vehicle platform services		Trading of securities		Provision of securities brokerage, margin financing and securities investments		Financial services through money lending business		Consolidated	
	2021	2020	**2021**	2020	**2021**	2020	**2021**	2020	**2021**	2020	**2021**	2020	**2021**	2020	**2021**	2020	**2021**	2020
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Segment revenue (note 4)																		
Sales to external customers	**580,747**	1,752,781	**187,854**	68,966	**1,993**	13,213	**-**	-	**-**	-	**-**	-	**983**	6,099	**3,658**	16,379	**775,235**	1,857,438
Others	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
Intersegment sales	**126,518**	726,125	**47,275**	277,080	**-**	352	**-**	-	**-**	118	**-**	-	**-**	-	**-**	-	**173,793**	1,003,675
	707,265	2,478,906	**235,129**	346,046	**1,993**	13,565	**-**	-	**-**	118	**-**	-	**983**	6,099	**3,658**	16,379	**949,028**	2,861,113
Reconciliation:																		
Elimination of intersegment sales																	**(173,793)**	(1,003,675)
Revenue																	**775,235**	1,857,438
Segment results	**(69,147)**	(69,427)	**(18,108)**	(63,674)	**(127)**	(6,156)	**(59)**	(236)	**(1,683)**	(1,682)	**(6,037)**	(8,667)	**(203)**	(37,564)	**(1,562)**	(46,925)	**(96,926)**	(234,331)
Other income and other gains and losses																	**537**	1,009
Finance costs																	**(7,798)**	(32,693)
Share of losses of associates	**(756)**	(3,465)	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**(756)**	(3,465)
Share of (losses)/profits of joint ventures	**(2,559)**	369	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**(2,559)**	369
Corporate and other unallocated expenses																	**(6,241)**	(35,429)
Loss before tax																	**(113,743)**	(304,540)
Assets and liabilities																		
Segment assets	**969,335**	679,782	**412,343**	791,149	**1,088**	18,004	**13,725**	12,623	**22,329**	15,586	**766**	1,898	**2,138**	14,359	**112,440**	102,961	**1,534,164**	1,636,362
Unallocated																	**68,420**	50,031
																	1,602,584	1,686,393
Segment liabilities	**642,599**	615,466	**386,871**	397,568	**18,853**	55,401	**138**	-	**16,343**	11,167	**57**	19,491	**246**	2,983	**24**	44	**1,065,131**	1,102,120
Unallocated																	**81,745**	71,604
																	1,146,876	1,173,724

3. OPERATING SEGMENT INFORMATION *(continued)*

	Sales and distribution of LNG		Provision of LNG logistic services		Finance leasing for LNG vehicles and equipment		Provision of LNG in the midstream and downstream market		Provision of commercial vehicle platform services		Trading of securities		Provision of securities brokerage, margin financing and securities investments		Financial services through money lending business		Consolidated	
	2021	2020	**2021**	2020	**2021**	2020	**2021**	2020	**2021**	2020	**2021**	2020	**2021**	2020	**2021**	2020	**2021**	2020
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Other segment information																		
Share of results of:																		
Associates	**(756)**	(3,465)	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**(756)**	(3,465)
Joint ventures	**(2,559)**	369	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**(2,559)**	369
Reversal of impairment of receivables under LNG finance lease arrangements	**-**	-	**-**	-	**5,830**	1,195	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**5,830**	1,195
Reversal of impairment/ (impairment) of LNG finance lease receivables	**-**	-	**-**	-	**2,924**	(1,605)	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**2,924**	(1,605)
Impairment of property, plant and equipment	**(14,466)**	(21,864)	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**(14,466)**	(21,864)
Impairment of loan receivables	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**(5,084)**	(63,221)	**(5,084)**	(63,221)
Reversal of impairment/ (impairment) of accounts receivables arising from dealing in securities	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**761**	(37,834)	**-**	-	**761**	(37,834)
Impairment of accounts receivables arising from LNG business	**(10,442)**	(14,004)	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**(10,442)**	(14,004)
Impairment of interests in associates	**(2,081)**	(5,350)	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**(2,081)**	(5,350)
Impairment of other receivables	**-**	-	**-**	-	**(3,056)**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**(3,056)**	-
Impairment of goodwill	**415**	-	**505**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**920**	-
Depreciation and amortisation	**52,074**	40,121	**36,700**	21,059	**261**	510	**-**	2	**-**	37	**875**	2,528	**112**	1,303	**-**	-	**90,022**	65,560
Loss on disposal of items of property, plant and equipment	**2,009**	3,539	**679**	531	**(72)**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**2,616**	4,070
Loss on deregistration of associates	**(4,029)**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**(4,029)**	-
(Loss)/gain on disposal of subsidiaries	**(2,649)**	8,544	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**(2,649)**	8,544
Interests in associates	**915**	7,622	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**915**	7,622
Interests in joint ventures	**42,012**	124,804	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**42,012**	124,804
Additions to right-of-use assets	**67,223**	77,016	**1,088**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**68.311**	77,016
Capital expenditure	**54,348**	53,868	**10,500**	25	**-**	-	**-**	-	**-**	-	**-**	-	**-**	53	**-**	-	**64,848**	53,946
Additions to deposits for acquisition of plant and equipment, and land use rights	**26,847**	39,591	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**26,847**	39,591

3. OPERATING SEGMENT INFORMATION *(continued)*

Geographical information

(a) Revenue from external customers

	2021 HK$'000	2020 HK$'000
Hong Kong	**4,641**	22,478
PRC	**770,594**	1,834,960
	775,235	1,857,438

The revenue information is based on the locations of the customers.

(b) Non-current assets

	2021 HK$'000	2020 HK$'000
Hong Kong	**787**	4,487
PRC	**1,195,447**	1,219,392
	1,196,234	1,223,879

The non-current asset information is based on the locations of the assets.

Information about major customers

For the years ended 31 March 2021 and 2020, no revenue derived from a single customer of the Group accounted for over 10% of the Group's total revenue.

4. REVENUE, OTHER INCOME AND OTHER GAINS AND LOSSES

An analysis of revenue is as follows:

	2021 **HK$'000**	2020 HK$'000
Revenue from contracts with customers		
Sales and distribution of LNG	**580,747**	1,752,781
Provision of LNG logistic services	**187,854**	68,966
Finance lease income		
– LNG finance lease arrangements	**1,853**	5,235
– LNG finance leases	**140**	7,978
Provision of financial services		
– Interest income from securities margin financing	**983**	5,025
– Services fee income	**–**	1,000
– Commission and brokerage income	**–**	74
Interest income from loan financing	**3,658**	16,379
	775,235	1,857,438

4. REVENUE, OTHER INCOME AND GAINS AND LOSSES *(continued)*

Revenue from contracts with customers

(i) Disaggregated revenue information

For the year ended 31 March 2021

	LNG related products HK$'000	LNG related services HK$'000	Financial services HK$'000	Total HK$'000
Type of goods or services				
Sales and distribution of LNG	580,747	–	–	580,747
Provision of LNG logistic services	–	187,854	–	187,854
LNG finance lease	–	1,993	–	1,993
Provision of loan finance services	–	–	3,658	3,658
Provision of brokerage services	–	–	983	983
Total revenue from contracts with customers	580,747	189,847	4,641	775,235
Geographical markets				
Hong Kong	–	–	4,641	4,641
PRC	580,747	189,847	–	770,594
Total revenue from contracts with customers	580,747	189,847	4,641	775,235
Timing of revenue recognition				
Goods transferred at a point in time	580,747	–	4,641	585,388
Services transferred over time	–	189,847	–	189,847
Total revenue from contracts with customers	580,747	189,847	4,641	775,235

4. REVENUE, OTHER INCOME AND GAINS AND LOSSES *(continued)*

Revenue from contracts with customers *(continued)*

(i) Disaggregated revenue information *(continued)*

For the year ended 31 March 2020

	LNG related products HK$'000	**LNG related services** HK$'000	**Financial services** HK$'000	**Total** HK$'000
Type of goods or services				
Sales and distribution of LNG	1,752,781	–	–	1,752,781
Provision of LNG logistic services	–	68,966	–	68,966
LNG finance lease	–	13,213	–	13,213
Provision of loan finance services	–	–	16,379	16,379
Provision of brokerage services	–	–	6,099	6,099
Total revenue from contracts with customers	1,752,781	82,179	22,478	1,857,438
Geographical markets				
Hong Kong	–	–	22,478	22,478
PRC	1,752,781	82,179	–	1,834,960
Total revenue from contracts with customers	1,752,781	82,179	22,478	1,857,438
Timing of revenue recognition				
Goods transferred at a point in time	1,752,781	–	22,478	1,775,259
Services transferred over time	–	82,179	–	82,179
Total revenue from contracts with customers	1,752,781	82,179	22,478	1,857,438

4. REVENUE, OTHER INCOME AND GAINS AND LOSSES *(continued)*

Revenue from contracts with customers *(continued)*

(i) Disaggregated revenue information *(continued)*

For the year ended 31 March 2021

	LNG related products HK$'000	LNG related services HK$'000	Financial services HK$'000	Total HK$'000
Revenue from contracts with customers				
Sales to external customers	580,747	189,847	4,641	775,235
Intersegment sales	126,518	47,275	–	173,793
	707,265	237,122	4,641	949,028
Intersegment adjustments and eliminations	(126,518)	(47,275)	–	(173,793)
Total revenue from contracts with customers	580,747	189,847	4,641	775,235

For the year ended 31 March 2020

	LNG related products HK$'000	LNG related services HK$'000	Financial services HK$'000	Total HK$'000
Revenue from contracts with customers				
Sales to external customers	1,752,781	82,179	22,478	1,857,438
Intersegment sales	726,125	277,550	–	1,003,675
	2,478,906	359,729	22,478	2,861,113
Intersegment adjustments and eliminations	(726,125)	(277,550)	–	(1,003,675)
Total revenue from contracts with customers	1,752,781	82,179	22,478	1,857,438

4. REVENUE, OTHER INCOME AND GAINS AND LOSSES *(continued)*

Revenue from contracts with customers *(continued)*

(ii) Performance obligations

Information about the Group's performance obligations is summarised below:

Sales and distribution of LNG

The performance obligation is satisfied upon delivery of the products and payment is generally due within 30 to 90 days from delivery.

LNG logistic services

The performance obligation is satisfied over time as services are rendered. Management service contracts are for periods of one year or less, or are billed based on the time incurred.

Finance lease and loan financing income

The performance obligation is satisfied when the customer has the ability to direct the use of the asset/loan and obtain substantially all of the remaining benefits of the asset and payment is due upon delivery of the property to the customer for finance lease income.

Provision of brokerage services

The performance obligation is satisfied at a point in time when the customer has received the service from the Group, generally when the trades are executed.

As at 31 March 2021 and 2020, there are no performance obligations outstanding that will be recognised more than one year.

	2021	2020
	HK$'000	HK$'000
Other income		
Bank interest income	**334**	406
Sundry income	**3,277**	1,890
	3,611	2,296
Other gains and losses		
Loss on disposal of items of property, plant and equipment	**(2,616)**	(4,070)
(Loss)/gain on disposal of subsidiaries (note 32)	**(2,649)**	8,544
Loss on deregistration of assoicates	**(4,029)**	–
Exchange gain/(losses)	**6,220**	(5,761)
	(3,074)	(1,287)
	537	1,009

5. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

	2021 HK$'000	2020 HK$'000
Cost of inventories recognised as an expense*	**516,071**	1,735,361
Depreciation of property, plant and equipment	**55,861**	49,465
Depreciation of right-of-use assets	**33,207**	14,787
Amortisation of other intangible assets	**954**	1,308
Government subsidies**	**(2,071)**	(2,268)
Short-term lease expenses	**3,412**	4,840
Auditor's remuneration	**863**	750
Employee benefit expense (excluding directors' remuneration (note 7)):		
Wages and salaries	**99,058**	105,039
Commission	**31,926**	19,619
Pension scheme contributions	**1,634**	7,755
Share-based payments	**2,271**	611
	134,889	133,024
Loss on disposal of items of property, plant and equipment	**2,616**	4,070
Foreign exchange difference, net	**(6,220)**	5,761
Reversal of impairment of receivables under LNG finance lease arrangements	**(5,830)**	(1,195)
(Reversal of impairment)/impairment of LNG finance lease receivables	**(2,924)**	1,605
Impairment of property, plant and equipment	**14,466**	21,864
Impairment of loan receivables	**5,084**	63,221
(Reversal of impairment)/impairment of accounts receivables arising from dealing in securities	**(761)**	37,834
Impairment of accounts receivables arising from LNG business	**10,442**	14,004
Impairment of interests in associates	**2,081**	5,350
Impairment of other receivables	**3,056**	–
Impairment of goodwill	**920**	–
Loss/(gain) on disposal of subsidiaries	**2,649**	(8,544)
Loss on deregistration of associates	**4,029**	–

* This balance is included in "Cost of revenue" in the consolidated statement of profit or loss.

** During the current year, the Group recognised government subsidies of HK$216,000 in respect of the approved amount of wages subsidies under the Employment Support Scheme launched by the HKSAR Government. The remaining subsidy of HK$1,855,000 was obtained in the PRC whereas there were no unfulfilled conditions or contingencies.

6. FINANCE COSTS

An analysis of finance costs is as follows:

	2021 HK$'000	2020 HK$'000
Interest expense on loans from a shareholder	–	23,216
Interest expense on interest-bearing bank borrowings	4,104	2,802
Interest expense on loans from third parties	121	2,913
Interest expense on lease liabilities	3,573	3,762
	7,798	32,693

7. DIRECTORS' REMUNERATION

Directors' remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	2021 HK$'000	2020 HK$'000
Fees:		
Executive directors	20	20
Non-executive directors	100	100
Independent non-executive directors	150	210
Other emoluments of executive directors:		
Salaries, allowances and benefits in kind	–	441
Pension scheme contributions	–	9
Share-based payments	659	164
	929	944

7. DIRECTORS' REMUNERATION *(continued)*

	Fees HK$'000	Salaries, allowances and benefits in kind HK$'000	Share-based payments HK$'000	Pension scheme contributions HK$'000	Total HK$'000
Year ended 31 March 2021					
Executive directors:					
Dr. Kan	10	–	659	–	669
Mr. Li Kai Yien, Arthur Albert	10	–	–	–	10
	20	–	659	–	679
Non-executive directors:					
Mr. Simon Murray	50	–	–	–	50
Mr. Lam, Lee G	50	–	–	–	50
	100	–	–	–	100
Independent non-executive directors:					
Mr. Li Siu Yui	50	–	–	–	50
Mr. Lam Lum Lee	50	–	–	–	50
Mr. Chow Ching Ning	50	–	–	–	50
	150	–	–	–	150
	270	–	659	–	929

Dr. Kan is also the chairman and chief executive officer of the Company.

7. DIRECTORS' REMUNERATION *(continued)*

	Fees HK$'000	Salaries, allowances and benefits in kind HK$'000	Share-based payments HK$'000	Pension scheme contributions HK$'000	Total HK$'000
Year ended 31 March 2020					
Executive directors:					
Dr. Kan	10	–	164	–	174
Mr. Li Kai Yien, Arthur Albert	10	–	–	–	10
Mr. Lam Yu Yeung (appointed on 2 September 2019 and resigned on 6 March 2020)	–	201	–	9	210
Mr. Chen Li Bo (removed on 30 August 2019)	–	240	–	–	240
	20	441	164	9	634
Non-executive directors:					
Mr. Simon Murray	50	–	–	–	50
Mr. Lam, Lee G	50	–	–	–	50
	100	–	–	–	100
Independent non-executive directors:					
Mr. Li Siu Yui	50	–	–	–	50
Mr. Lam Lum Lee	50	–	–	–	50
Dr. Li Yao (appointed on 20 June 2019 and resigned on 13 January 2020)	30	–	–	–	30
Mr. Chow Ching Ning (appointed on 2 September 2019)	30	–	–	–	30
Mr. Au Yeung Po Fung (resigned on 2 September 2019)	50	–	–	–	50
	210	–	–	–	210
	330	441	164	9	944

There was no arrangement under which a director waived or agreed to waive any remuneration during the year.

8. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included no director (2020: no director). Details of the remuneration for the year of the five (2020: five) non-director highest paid employees are as follows:

	2021 HK$'000	2020 HK$'000
Salaries, allowances and benefits in kind	**2,708**	3,325
Pension scheme contributions	**472**	327
Share-based payments	**2,228**	611
	5,408	4,263

The number of non-director highest paid employees whose remuneration fell within the following bands is as follows:

	Numbers of employees	
	2021 HK$'000	2020 HK$'000
Nil to HK$1,000,000	**4**	4
HK$1,000,001 to HK$1,500,000	**–**	1
HK$3,000,001 to HK$3,500,000	**1**	–
	5	5

There was no arrangement under which a director waived or agreed to waive any emoluments and no remuneration was paid by the Group to the directors or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

9. INCOME TAX

(a) No provision for Hong Kong profits tax has been made as the Group has no estimated assessable profits for the year. Hong Kong profits tax was provided at the rate of 16.5% on the estimated assessable profits arising in Hong Kong in preceding year.

Taxes on profits assessable elsewhere have been calculated at the applicable tax rates prevailing in the jurisdictions in which the Group operates.

	2021 **HK$'000**	2020 HK$'000
Current tax – Hong Kong		
Charge for the year	**–**	2,400
Over-provision in prior years	**(2,824)**	(3)
Current tax – Elsewhere		
Charge for the year	**105**	39
Over-provision in prior years	**(10)**	(218)
Deferred tax		
Current year	**(1,577)**	–
Total tax (credit)/charge	**(4,306)**	2,218

A reconciliation of the tax (credit)/charge applicable to loss before tax at the statutory rates for the jurisdictions in which the Company and the majority of its subsidiaries are domiciled to the tax charge at the effective tax rates is as follows:

	2021 **HK$'000**	2020 HK$'000
Loss before tax	**(113,743)**	(304,540)
Tax at the statutory rates	**(27,298)**	(65,039)
Income not subject to tax	**(4,586)**	(7,391)
Expenses not deductible for tax	**9,502**	31,368
Temporary difference not recognised	**(32)**	(636)
Profits and losses attributable to joint ventures and associates	**829**	774
Tax losses utilised from prior periods	**(8,534)**	(864)
Tax losses not recognised	**28,647**	44,430
Over-provision in prior years	**(2,834)**	(221)
Tax effect of the two-tiered profits tax rates regime	**–**	(165)
Tax concession	**–**	(38)
Tax (credit)/charge at the Group's effective rate	**(4,306)**	2,218
Tax (credit)/charge	**(4,306)**	2,218

9. INCOME TAX *(continued)*

(a) (continued)

There is no share of tax attributable to associates for both years. The share of tax credit attributable to joint ventures amounting to HK$9,000 (2020: tax expense of HK$176,000) is included in "Share of profits and losses of joint ventures" in the consolidated statement of profit or loss.

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

(b) Deferred tax liabilities of HK$3,245,000 (2020: HK$4,330,000) represents fair value adjustment arising from acquisition of a subsidiary.

The Group has tax losses arising in Hong Kong of HK$566,209,000 (2020: HK$498,546,000) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. The Group also has tax losses arising in Mainland China of HK$528,663,000 (2020: HK$561,756,000) that will expire in one to five years for offsetting against future taxable profits.

Deferred tax assets have not been recognised in respect of these losses as they have arisen in subsidiaries that have been loss-making for some time and it is uncertain that taxable profits will be available against which the tax losses can be utilised.

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors. For the Group, the applicable rate is 5% or 10%. The Group is therefore liable for withholding taxes on dividends distributed by those subsidiaries established in Mainland China in respect of earnings generated from 1 January 2008.

At 31 March 2021, no deferred tax has been recognised for withholding taxes that would be payable on the unremitted earnings that are subject to withholding taxes of the Group's subsidiaries, joint ventures and associates established in Mainland China. In the opinion of the directors, it is not probable that these subsidiaries and joint ventures will have significant retained profits for distribute in the foreseeable future. The aggregate amount of temporary differences associated with investments in subsidiaries and joint ventures in Mainland China for which deferred tax liabilities have not been recognised totalled approximately HK$11,239,000 at 31 March 2021 (2020: HK$10,143,000).

10. DIVIDENDS

The directors resolved not to declare any dividend for the year ended 31 March 2021 (2020: Nil).

11. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic loss per share amounts for the year is based on the loss for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 5,643,797,090 (2020: 5,643,797,090) in issue during the year.

The diluted loss per share for the years ended 31 March 2021 and 2020 is equal to the basic loss per share as there was no dilutive potential ordinary share in issue.

The calculations of basic and diluted loss per share are based on:

	2021 HK$'000	2020 HK$'000
Loss attributable to ordinary equity holders of the parent company, used in the basic and diluted loss per share calculation	**(82,264)**	(252,203)

	Number of shares 2021	2020
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic and diluted loss per share calculation	**5,643,797,090**	5,643,797,090

12. PROPERTY, PLANT AND EQUIPMENT/OTHER ASSETS

	Furniture and fixtures HK$'000	Leasehold improvements HK$'000	Equipment and machinery HK$'000	Motor vehicles HK$'000	Building HK$'000	Yacht HK$'000	Construction in progress HK$'000	Total HK$'000
Cost:								
At 1 April 2019	10,912	4,696	342,501	266,592	786	9,100	41,722	676,309
Additions	256	106	9,428	7,190	–	–	108,435	125,415
Transfer	–	–	13,464	–	–	–	(13,464)	–
Disposal of subsidiaries (note 32(c), (d))	(47)	–	(24,922)	(14)	(623)	–	(152)	(25,758)
Disposals	(147)	–	(147,938)	(2,208)	–	–	–	(150,293)
Exchange realignment	(599)	(190)	(16,352)	(17,396)	(36)	–	(5,092)	(39,665)
At 31 March 2020 and 1 April 2020	10,375	4,612	176,181	254,164	127	9,100	131,449	586,008
Additions	827	400	–	10,500	2,000	–	55,510	69,237
Transfer	308	–	15,744	–	14,573	–	(30,625)	–
Disposal of subsidiaries (note 32(a))	(4)	–	–	–	–	–	(2,570)	(2,574)
Disposals	(2,304)	–	(5,138)	(2,103)	(2,027)	–	(917)	(12,489)
Exchange realignment	694	244	6,975	21,176	470	–	11,718	41,277
At 31 March 2021	**9,896**	**5,256**	**193,762**	**283,737**	**15,143**	**9,100**	**164,565**	**681,459**

12. PROPERTY, PLANT AND EQUIPMENT/OTHER ASSETS *(continued)*

	Furniture and fixtures HK$'000	Leasehold improvements HK$'000	Equipment and machinery HK$'000	Motor vehicles HK$'000	Building HK$'000	Yacht HK$'000	Construction in progress HK$'000	Total HK$'000
Accumulated depreciation:								
At 1 April 2019	5,557	4,073	23,292	23,530	29	6,125	–	62,606
Provided for the year	2,014	407	18,523	26,417	4	2,100	–	49,465
Written back on disposals	(70)	–	(10,216)	(1,633)	–	–	–	(11,919)
Disposal of subsidiaries (note 32(c), (d))	(10)	–	(1,162)	(2)	(23)	–	–	(1,197)
Exchange realignment	(448)	(166)	(1,703)	(2,002)	(1)	–	–	(4,320)
At 31 March 2020 and 1 April 2020	7,043	4,314	28,734	46,310	9	8,225	–	94,635
Provided for the year	1,574	368	17,220	35,347	477	875	–	55,861
Written back on disposals	(1,452)	–	(3,581)	(1,107)	(32)	–	–	(6,172)
Disposal of subsidiaries (note 32(a))	(2)	–	–	–	–	–	–	(2)
Exchange realignment	616	220	2,820	4,710	15	–	–	8,381
At 31 March 2021	**7,779**	**4,902**	**45,193**	**85,260**	**469**	**9,100**	**–**	**152,703**
Impairment loss:								
At 1 April 2019	–	–	–	–	–	–	–	–
Provided for the year	–	–	9,621	–	–	–	12,243	21,864
Exchange realignment	–	–	(240)	–	–	–	(305)	(545)
At 31 March 2020 and 1 April 2020	–	–	9,381	–	–	–	11,938	21,319
Provided for the year	–	–	–	–	–	–	14,466	14,466
Exchange realignment	–	–	780	–	–	–	1,449	2,229
At 31 March 2021	**–**	**–**	**10,161**	**–**	**–**	**–**	**27,853**	**38,014**
Carrying values:								
At 31 March 2021	**2,117**	**354**	**138,408**	**198,477**	**14,674**	**–**	**136,712**	**490,742**
At 31 March 2020	3,332	298	138,066	207,854	118	875	119,511	470,054

Balance of other assets of HK$309,007,000 (2020: HK$285,285,000) represented the right to acquire LNG tank containers pursuant to a sale and purchase agreement dated 29 June 2018 entered into between Gangzong Trade (Shanghai) Co., Ltd, a wholly-owned subsidiary of the Company and CIMC Enric Energy Equipment (Suzhou) Co., Ltd., a wholly-owned subsidiary of CIMC Enric Holdings Limited. Details of the acquisition were disclosed in a circular of the Company dated 24 August 2018. Liability of the same balance is recognised and included in other payables and accruals (note 26).

As at 31 March 2021, construction in progress and equipment and machinery with the carrying amounts of approximately HK$15,252,000 and HK$7,191,000 respectively were pledged to banks to secure banking facilities granted to the Group (Note 27).

13. GOODWILL

	HK$'000
Cost:	
At 1 April 2019	930
Exchange realignment	(54)
At 31 March 2020 and 1 April 2020	876
Impairment	(920)
Exchange realignment	44
At 31 March 2021	**–**

There was one cash generating unit ("CGU") related to sales and distribution of LNG in the PRC.

14. OTHER INTANGIBLE ASSETS

	Road transportation operation permits of dangerous goods HK$'000
Cost:	
At 1 April 2019	9,719
Exchange realignment	(636)
At 31 March 2020 and 1 April 2020	9,083
Exchange realignment	755
At 31 March 2021	**9,838**
Accumulated amortisation:	
At 1 April 2019	633
Charge for the year	1,308
Exchange realignment	(74)
At 31 March 2020 and 1 April 2020	1,867
Charge for the year	954
Exchange realignment	185
At 31 March 2021	**3,006**
Carrying values:	
At 31 March 2021	**6,832**
At 31 March 2020	7,216

Amortisation of road transportation operation permits of dangerous goods is charged to profit or loss on a straight-line basis over the estimated useful life of 10 years.

15. RIGHT-OF-USE ASSETS

	Land use rights HK$'000	Properties HK$'000	Containers HK$'000	Total HK$'000
Cost:				
At 1 April 2019	38,532	17,826	–	56,358
New leases	–	–	77,016	77,016
Write-off on termination of lease	–	(8,188)	–	(8,188)
Exchange realignment	(2,522)	(650)	(1,919)	(5,091)
At 31 March 2020 and 1 April 2020	36,010	8,988	75,097	120,095
New leases	63,103	5,208	–	68,311
Exchange realignment	6,851	668	5,160	12,679
At 31 March 2021	**105,964**	**14,864**	**80,257**	**201,085**
Accumulated depreciation:				
At 1 April 2019	–	–	–	–
Charge for the year	746	4,414	9,627	14,787
Write-off	–	(1,638)	–	(1,638)
Exchange realignment	(19)	(14)	(240)	(273)
At 31 March 2020 and 1 April 2020	727	2,762	9,387	12,876
Charge for the year	3,491	4,388	25,328	33,207
Exchange realignment	275	180	2,327	2,782
At 31 March 2021	**4,493**	**7,330**	**37,042**	**48,865**
Net book value:				
At 31 March 2021	**101,471**	**7,534**	**43,215**	**152,220**
At 31 March 2020	35,283	6,226	65,710	107,219

The Group has entered into lease agreements to obtain the right to use properties as its offices, warehouses and staff quarters, and right to use containers as its storage equipment and as a result incurred lease liabilities (note 28). The leases typically run for an initial period of 2 to 10 years. Certain leases include an option to renew the lease for an additional period after the end of the contract term. Where practicable, the Group seeks to include such extension options exercisable by the Group to provide operational flexibility. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. If the Group is not reasonably certain to exercise the extension options, the future lease payments during the extension periods are not included in the measurement of lease liabilities.

In addition to the above, the Group has right-of-use assets related to land use rights of which the Group is the registered owner. The related lands are located in the PRC.

As at 31 March 2021, land use rights with the carrying amount of approximately HK$39,264,000 were pledged to banks to secure banking facilities granted to the Group (Note 27).

16. INTERESTS IN JOINT VENTURES

	2021 HK$'000	2020 HK$'000
Share of net assets	**39,930**	122,882
Loan to a joint venture	**2,082**	1,922
	42,012	124,804

The loan to a joint venture is unsecured, bears interest at 8% (2020: 8%) per annum and is repayable on demand. In the opinion of the directors, the loan is unlikely to be repaid in the foreseeable future and is considered as part of the Group's net investment in the joint venture.

Particulars of the Group's material indirectly held joint venture are as follows:

Name	Particulars of issued equity held	Place of establishment and business	Percentage of Ownership interest	Percentage of Voting power	Percentage of Profit sharing	Principal activities
港海能源(珠海)有限公司 (Formerly known as 港海能源(上海)有限公司)	Registered capital of RMB 25,500,000 (2020: RMB 102,000,000)	PRC/ Mainland China	51	(note)	51	Sales and distribution of LNG

Note: The joint venture is jointly controlled by the Group and other shareholder by virtue of contractual arrangements among shareholders which require simple majority of directors' approval for major business decisions. The Group and the other shareholder each can appoint 2 directors out of total 5 directors of this joint venture, whereas the remaining 1 director is jointly appointed by both the Group and the other shareholder. Therefore, it is classified as a joint venture of the Group.

港海能源(珠海)有限公司, which is considered as a material joint venture of the Group, is accounted for using the equity method. On 21 January 2021, the joint venture conducted a capital reduction of RMB150,000,000 by reducing its paid up capital from RMB200,000,000 to RMB50,000,000. Details of the capital reduction are set forth in the Company's announcement dated 22 January 2021.

The above table lists the joint venture of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Company. To give details of other joint ventures would, in the opinion of the directors, result in particulars of excessive length.

16. INTERESTS IN JOINT VENTURES *(continued)*

The following table illustrates the summarised financial information in respect of 港海能源(珠海)有限公司 adjusted for any differences in accounting policies and reconciled to the carrying amount in the consolidated financial statements:

	2021 **HK$'000**	2020 HK$'000
Cash and cash equivalents	**48,600**	198,227
Other current assets	**6,653**	21,241
Current assets	**55,253**	219,468
Non-current assets	**190**	670
Current liabilities	**170**	731
Net assets	**55,273**	219,407
Reconciliation to the Group's interest in the joint venture:		
Proportion of the Group's ownership	**51%**	51%
Group's share of net assets of the joint venture	**28,189**	111,898
Carrying amount of the investment	**28,189**	111,898
Revenue	**215,464**	42,088
Interest income	**3,062**	1,359
Operating expenses	**(223,350)**	(42,068)
Income tax credit/(expense)	**18**	(345)
(Loss)/profit for the year	**(4,806)**	1,034
Total comprehensive (loss)/income for the year	**(4,709)**	1,034

The following table illustrates the financial information of the Group's joint ventures that are not individually material:

	2021 **HK$'000**	2020 HK$'000
Share of the joint ventures' loss for the year	**(108)**	(158)
Share of the joint ventures' total comprehensive loss	**(61)**	(158)
Carrying amount of the Group's interest in the joint ventures	**11,741**	10,984

17. INTERESTS IN ASSOCIATES

	2021 **HK$'000**	2020 HK$'000
Cost of investment in associates	**11,601**	21,602
Share of post-acquisition losses and other comprehensive loss	**(2,619)**	(3,405)
Provision for impairment	**(7,941)**	(10,420)
Exchange realignment	**(126)**	(155)
	915	7,622

The movements for impairment of interest in associates are as follows:

	2021 **HK$'000**	2020 HK$'000
At beginning for the year	**10,420**	5,070
Provision of impairment	**2,081**	5,350
Written-off of impairment	**(4,834)**	–
Exchange realignment	**274**	–
At end of the year	**7,941**	10,420

Particulars of associates are as follows:

Name	**Principal place of business**	**Percentage of ownership interest attributable to the Group**		**Principal activities**
		2021	2020	
CNOOC (Shanghai) Traffic New Energy Co., Ltd.	PRC/ Mainland China	**40%**	40%	Sales and distribution of LNG diesel and oil product
Anhui Jugang Energy Co., Ltd.	PRC/ Mainland China	**30.25%**	30.25%	Sales and distribution of LNG diesel and oil product
舟山深能燃氣發展有限公司	PRC/ Mainland China	**25%**	25%	Sales and distribution of LNG diesel and oil product

17. INTERESTS IN ASSOCIATES *(continued)*

Impairment of HK$2,081,000 (2020: HK$5,350,000) was recognised for interest in an associate because the associate has been loss-making and, in the opinion of the directors, the recoverable amount of the associate is based on its fair value less cost of disposal. Management has estimated the fair value of the associate based on its net asset value as the fair value of the associate's underlying assets and liabilities approximates to its carrying amount due to the short term maturities of those instruments. The fair value measurement is categorised within Level 3 of the fair value hierarchy.

The Group's shareholdings in the associates are held through subsidiaries of the Company.

CNOOC (Bengbu) Traffic New Energy Co., Ltd. and Shenzhen Gas Shengshi Clean Energy Co., Ltd. were deregistered during the year ended 31 March 2021, resulting in an aggregate loss of HK$4,029,000. Gangneng LNG (Fujian) Co., Ltd. was disposed of during the year ended 31 March 2020, resulting in a loss of HK$337,000.

On 2 February 2021, the Group entered into a sale and purchase agreement with an independent third party to dispose of 25% of issued share capital of 舟山深能燃氣發展有限公司 for a cash consideration of RMB2,500,000 (equivalent to approximately HK$2,867,000). The carrying amount of the interest in 舟山深能燃氣發展有限公司 was zero at that date. The disposal of this associate was completed on 2 April 2021.

The following table illustrates the aggregate financial information of the Group's associates that are not individually material:

	2021 **HK$'000**	2020 HK$'000
Share of the associates' loss for the year	**(756)**	(3,465)
Share of the associates' total comprehensive loss	**(352)**	(1,901)
Aggregate carrying amount of the Group's investments in the associates	**915**	7,622

18. INVENTORIES

	2021 **HK$'000**	2020 HK$'000
LNG	**8,913**	10,585

19. RECEIVABLES UNDER LNG FINANCE LEASE ARRANGEMENTS

The Group provides finance leasing services for LNG vehicles and vessels in the PRC. The ageing analysis of receivables under these finance lease arrangements is as follows:

	2021 HK$'000	2020 HK$'000
Within one year	**12,400**	23,343
Less: Impairment	**(12,400)**	(17,001)
	–	6,342

The Group entered into finance lease arrangements pursuant to which the lessees sold their vehicles to the Group and leased back the assets with lease periods ranging from 2 years to 3 years (2020: 1.5 year to 5 years) from the date of inception. The ownership of leased assets will be transferred to the lessees at a minimal purchase option upon the settlement of the receivables and interest accrued under the finance lease arrangements. The lessees retain control of the assets before and after entering into the arrangements. These finance lease arrangements do not constitute leases for accounting purposes.

At 31 March 2021, the effective interest rates applicable to the finance lease arrangements ranged from approximately 10.32% to 12.32% per annum (2020: 9.24% to 12.46%). The maturity profile of receivables under LNG finance lease arrangements (net of impairment) at the end of the reporting year, is as follows:

	2021 HK$'000	2020 HK$'000
Neither past due nor impaired	**–**	6,342

Set out below is the information about the credit risk exposure on the Group's receivables under LNG finance lease arrangements using a provision matrix:

At 31 March 2021

		Past due					
	Current	**Within 3 months**	**4 to 6 months**	**7 to 9 months**	**10 to 12 months**	**Over 1 year**	**Total**
Expected credit losses rate	**–**	**–**	**–**	**–**	**–**	**100%**	
Gross carrying amount (HK$'000)	**–**	**–**	**–**	**–**	**–**	**12,400**	**12,400**
Expected credit losses (HK$'000)	**–**	**–**	**–**	**–**	**–**	**12,400**	**12,400**

At 31 March 2020

		Past due					
	Current	Within 3 months	4 to 6 months	7 to 9 months	10 to 12 months	Over 1 year	Total
Expected credit losses rate	32.22%	–	100%	100%	100%	100%	
Gross carrying amount (HK$'000)	9,357	–	155	195	1,323	12,313	23.343
Expected credit losses (HK$'000)	3,015	–	155	195	1,323	12,313	17,001

19. RECEIVABLES UNDER LNG FINANCE LEASE ARRANGEMENTS *(continued)*

The movements in the loss allowance for impairment of receivables under LNG finance lease arrangements are as follows:

	2021 HK$'000	2020 HK$'000
At beginning of the year	**17,001**	19,437
Reversal of impairment	**(5,830)**	(1,195)
Exchange realignment	**1,229**	(1,241)
At end of the year	**12,400**	17,001

Receivables which were neither past due nor impaired related to a number of borrowers for whom there was no recent history of default. All past due receivables were impaired.

The receivables are secured by the leased vehicles. The Group has obtained guarantees provided by the controlling shareholders of the lessees and other independent third parties for certain finance lease arrangements. The Group has also obtained security deposits for certain finance lease arrangements and these security deposits were interest-free. The lessees are obliged to settle the amounts according to the terms set out in the relevant agreements.

20. LNG FINANCE LEASE RECEIVABLES

	Minimum lease payments 2021 HK$'000	Minimum lease payments 2020 HK$'000	**Present value of minimum lease payments 2021 HK$'000**	Present value of minimum lease payments 2020 HK$'000
Within one year	**26,360**	38,007	**26,360**	33,588
Less: Unearned finance income	**–**	(4,419)		
Present value of minimum lease payment receivables	**26,360**	33,588		
Less: Impairment	**(26,360)**	(27,120)	**(26,360)**	(27,120)
	–	6,468		
Less: Portion classified as current assets			**–**	(6,468)
Non-current portion			**–**	–

20. LNG FINANCE LEASE RECEIVABLES *(continued)*

The Group entered into finance lease contracts pursuant to which the Group purchased new vehicles or equipment from third party manufacturers or distributors of its choice or of the lessees' choice and leased the assets to the lessees with lease periods of 2 years (2020: period from 2 years to 4.5 years) from the date of inception. The ownership of the leased assets will be transferred to the lessees at a minimal purchase option upon the settlement of the receivables and interest accrued under the finance lease contracts. The lessees obtain control of the assets after entering into the contracts.

At 31 March 2021, the effective interest rates applicable to the finance lease ranged from approximately 9% to 12.48% per annum (2020: 9% to 12.65%). The maturity profile of LNG finance lease receivables (net of impairment) at the end of the reporting period, is as follows:

	2021 **HK$'000**	2020 HK$'000
Neither past due nor impaired	–	6,394
Past due but not impaired:		
Within 3 months	–	74
	–	6,468

Set out below is the information about the credit risk exposure on the Group's LNG finance lease receivables using a provision matrix:

As at 31 March 2021

		Past due					
	Current	**Within 3 months**	**4 to 6 months**	**7 to 9 months**	**10 to 12 months**	**Over 1 year**	**Total**
Expected credit losses rate	–	–	–	–	–	**100%**	
Gross carrying amount (HK$'000)	–	–	–	–	–	**26,360**	**26,360**
Expected credit losses (HK$'000)	–	–	–	–	–	**26,360**	**26,360**

As at 31 March 2020

		Past due					
	Current	Within 3 months	4 to 6 months	7 to 9 months	10 to 12 months	Over 1 year	Total
Expected credit losses rate	22.80%	82.30%	100%	100%	100%	100%	
Gross carrying amount (HK$'000)	8,282	418	2,963	2,957	2,258	16,710	33,588
Expected credit losses (HK$'000)	1,888	344	2,963	2,957	2,258	16,710	27,120

20. LNG FINANCE LEASE RECEIVABLES *(continued)*

The movements in the loss allowance for impairment of LNG finance lease receivables are as follows:

	2021 HK$'000	2020 HK$'000
At beginning of the year	**27,120**	27,346
(Reversal of impairment)/ impairment	**(2,924)**	1,605
Exchange realignment	**2,164**	(1,831)
At end of the year	**26,360**	27,120

Receivables which were neither past due nor impaired related to a number of borrowers for whom there was no recent history of default. All past due receivables were impaired.

The receivables are secured by the leased vehicles and equipment. The Group has obtained guarantees provided by the controlling shareholders of the lessees and other independent third parties for certain finance lease contracts. The Group has also obtained security deposits for certain finance lease contracts and these security deposits were interest-free. The lessees are obliged to settle the amounts according to the terms set out in the relevant agreements.

21. LOAN RECEIVABLES

	2021 HK$'000	2020 HK$'000
Loan receivables	**219,040**	167,115
Less: Impairment	**(106,683)**	(64,237)
	112,357	102,878

Loan receivables relate to 3 (2020: 2) customers. The Group seeks to maintain strict control over its outstanding loan receivables so as to minimise credit risk. The granting of loans is subject to approval by management. Loan receivables are charged at the effective interest rates mutually agreed with contracting parties at fixed rates of 1% to 4.63% (2020: 1% to 18%) per annum.

The loan receivables are secured. The borrowers are obliged to settle the amounts according to the terms set out in the relevant agreements.

21. LOAN RECEIVABLES *(continued)*

The movements in the loss allowance for impairment of loan receivables are as follows:

	2021 HK$'000	2020 HK$'000
At beginning of the year	64,237	1,016
Transfer from impairment of accounts receivables from margin clients (note 22)	37,362	–
Impairment	5,084	63,221
At end of the year	106,683	64,237

For those balances which were past due but not impaired, they are related to borrowers for which management has assessed its financial position and performance as well as collateral.

The Group holds collateral or other credit enhancement over its loan receivables balance of HK$219,040,000 (2020: HK$167,115,000) out of which loan receivables of HK$117,981,000 (2020: HK$96,185,000) was made an impairment of HK$15,490,000 (2020:Nil) from a non-controlling shareholder of Key Fit Group Limited, a 60.42%-owned subsidiary of the Company, were collateralised with shares of Key Fit Group Limited and the Company. The Group estimated the loss given default of the loans at 13.13% (2020: 0%) based on the expected disposal price of collateral and the personal guarantee provided by Dr. Kan. During the year ended 31 March 2020, the son of Dr. Kan acquired from the non-controlling shareholders 1.7% of shares of Key Fit Group Limited at a consideration of HK$35,000,000, which was applied to partially settle the loan receivables.

At 31 March 2021, an impairment of HK$91,193,000 (2020: HK$64,237,000) was made to remaining loan receivables of a gross amount of HK$101,059,000 (2020: HK$70,930,000), which were collateralised with shares of the Company and another listed equity securities in Hong Kong. Life time probability of default rate of 100% (2020: 100%) and loss given default rate of 90.24% (2020: 90.57%) are applied in the impairment calculation.

22. ACCOUNTS AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS

	Notes	2021 HK$'000	2020 HK$'000
Accounts receivables arising from dealing in securities	(a)		
Cash clients		317	317
Less: Impairment		(317)	–
		–	317
Margin clients		5,568	52,757
Less: Impairment		(4,173)	(42,613)
		1,395	10,144
Hong Kong Securities Clearing Company Limited		–	277
Accounts receivables arising from LNG business	(b)	61,169	75,051
Less: Impairment		(31,410)	(19,059)
		29,759	55,992
Total accounts receivables		31,154	66,730
Prepayments		70,568	84,860
Deposits and other receivables	(c)	62,719	73,442
Loans to third parties	(d)	2,081	1,758
Value-added tax recoverable		50,138	57,830
		216,660	284,620

Notes:

(a) The settlement terms of the accounts receivables from cash clients arising from the business of dealing in securities are two days after the trade date.

At 31 March 2021 and 2020, the accounts receivables from margin clients were repayable on demand, interest-bearing at 9.25% (2020: 9.25%) per annum and secured by clients' securities that are listed on the Stock Exchange with a total market value of approximately HK$2,387,000 (2020: approximately HK$11,662,000).

No detailed ageing analysis is disclosed as in the opinion of the directors, the ageing analysis does not give additional value in view of the nature of the securities dealing business.

22. ACCOUNTS AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS *(continued)*

Notes: (continued)

(a) (continued)

Analysis of changes in the corresponding ECL allowance is as follows:

	31 March 2021			
	Stage 1 HK$'000	**Stage 2 HK$'000**	**Stage 3 HK$'000**	**Total HK$'000**
At 1 April 2020	**–**	**–**	**42,613**	**42,613**
Transfer to loan receivables (note 21)	**–**	**–**	**(37,362)**	**(37,362)**
Reversal of impairment	**–**	**–**	**(761)**	**(761)**
At 31 March 2021	**–**	**–**	**4,490**	**4,490**
Arising from:				
Cash clients	**–**	**–**	**317**	**317**
Margin clients	**–**	**–**	**4,173**	**4,173**
ECL rate	**–**	**–**	**76.3%**	

	31 March 2020			
	Stage 1 HK$'000	Stage 2 HK$'000	Stage 3 HK$'000	Total HK$'000
As at 1 April 2019	1,103	–	3,676	4,779
Other changes (including new assets and derecognised assets)	–	–	37,834	37,834
Transfer to lifetime expected credit loss – not credit impaired (Stage 2)	(1,103)	1,103	–	–
Transfer to lifetime expected credit loss – credit impaired (Stage 3)	–	(1,103)	1,103	–
As at 31 March 2020	–	–	42,613	42,613
Arising from:				
Margin clients	–	–	42,613	42,613
ECL rate	–	–	80.8%	

During the year 31 March 2021, there was no transfer of expected credit losses or changes in risk parameters.

22. ACCOUNTS AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS *(continued)*

Notes: (continued)

(b) The Group has established credit policies that follow local industry standards. The average normal credit periods offered to trade customers are within 30 to 90 days. The ageing analysis of accounts receivables arising from LNG business presented based on the invoice date and net of loss allowance is as follows:

	2021 HK$'000	2020 HK$'000
Within 3 months	**26,857**	31,976
4 to 6 months	**2,893**	17,608
7 to 9 months	**9**	6,408
	29,759	55,992

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by customer type). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, accounts receivables are written off if past due for more than one year and are not subject to enforcement activity.

The movements in the loss allowance for impairment of accounts receivables arising from LNG business are as follows:

	2021 HK$'000	2020 HK$'000
At beginning of the year	**19,059**	5,055
Impairment	**10,442**	14,004
Exchange realignment	**1,909**	–
At end of the year	**31,410**	19,059

22. ACCOUNTS AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS *(continued)*

Notes: (continued)

(b) (continued)

Set out below is the information about the credit risk exposure on the Group's accounts receivables arising from LNG business using a provision matrix:

As at 31 March 2021

		Past due				
	Current	**Within 3 months**	**4 to 6 months**	**7 to 9 months**	**10 to 12 months**	**Total**
Expected credit losses rate	**8.09%**	**37.55%**	**47.26%**	**70.00%**	**100%**	
Gross carrying amount (HK$'000)	**29,220**	**3,491**	**1,352**	**30**	**27,076**	**61,169**
Expected credit losses (HK$'000)	**2,363**	**1,311**	**639**	**21**	**27,076**	**31,410**

As at 31 March 2020

		Past due				
	Current	Within 3 months	4 to 6 months	7 to 9 months	10 to 12 months	Total
Expected credit losses rate	3.47%	–	17.13%	25.87%	100.00%	
Gross carrying amount (HK$'000)	33,121	–	21,248	8,650	12,032	75,051
Expected credit losses (HK$'000)	1,149	–	3,640	2,238	12,032	19,059

(c) The balance mainly represents rental deposits and deposits with suppliers. Expected credit losses are estimated using a credit rating on debtors based on the Group's historical credit loss experience, adjusted for (a) information that is specific to particular debtors and (b) forward-looking information based on the current and forecast general economic conditions available to the Group without undue cost or effort at the reporting date. Expected credit loss is recognised in profit or loss with the corresponding adjustment to the carrying amount of other receivables through a loss allowance account. The expected credit loss of other receivables for the year is approximately HK$3,056,000 (2020: HK$Nil).

(d) The loans were unsecured, interest-bearing at 8% (2020: 8%) per annum and repayable on demand.

23. BANK BALANCES HELD ON BEHALF OF CLIENTS

As at 31 March 2020, the Group maintained client bank accounts with authorised financial institutions to receive and hold money deposited by clients in the course of conducting regulated activities. These clients' monies were maintained in one or more client bank accounts and bore interest at commercial rates. The Group recognised the corresponding accounts payables to the respective clients. However, the Group did not have an enforceable right to offset those payables with the deposits placed.

The Group ceased to carry on the regulated activities during the year ended 31 March 2021.

24. CASH AND CASH EQUIVALENTS

	2021 **HK$'000**	2020 HK$'000
Cash and bank balances	**68,390**	50,030
Cash on hand	**30**	1
	68,420	50,031

At the end of the reporting period, the cash and bank balances of the Group denominated in Renminbi ("RMB") amounted to HK$61,846,000 (2020: HK$35,854,000). RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through authorised banks to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

25. ACCOUNTS PAYABLES

	Notes	2021 HK$'000	2020 HK$'000
Accounts payables arising from dealing in securities	(a)		
Cash clients		–	1,343
Margin clients		–	156
Accounts payables arising from LNG business	(b)	86,462	85,232
		86,462	86,731

Notes:

(a) The settlement terms of accounts payables arising from the business of dealing in securities were two days after the trade date or on demand where held at segregated client bank accounts.

The accounts payables amounting to approximately HK$Nil (2020: HK$1,499,000) were payable to clients in respect of the segregated client bank balances received and held for clients in the course of the conduct of regulated activities. The carrying amounts of the accounts payables arising from the ordinary course of business of dealing in securities were mainly denominated in Hong Kong dollars.

(b) An ageing analysis of the accounts payables as at the end of the reporting period, based on the invoice date, is as follows:

	2021 HK$'000	2020 HK$'000
Within 3 months	56,653	56,848
4 to 6 months	24,172	26,156
Over 6 months	5,637	2,228
	86,462	85,232

The accounts payables are non-interest-bearing and are normally settled on 30 to 90 days terms.

26. OTHER PAYABLES AND ACCRUALS

	Notes	**2021 HK$'000**	2020 HK$'000
Accruals and other payables		**84,666**	81,716
Contract liabilities	(a)	**25,320**	50,736
Guaranteed deposits on LNG finance leases and finance leases arrangements		**5,523**	7,971
Loans from a shareholder	(b)	**434,981**	468,781
Interest payable on loans from a shareholder	(b)	**37,333**	39,417
Loans from third parties	(c)	**2,129**	1,966
Payable for the right to acquire property, plant and equipment	12	**309,007**	285,285
		898,959	935,872
Non-current portion of loans from a shareholder		**(434,981)**	(468,781)
Current portion		**463,978**	467,091

Notes:

(a) Contract liabilities represented short-term advances received before sales and distribution of LNG to customers. Movements in contract liabilities are as follows:

	2021 HK$'000	2020 HK$'000
Revenue recognised that was included in contract liabilities at the beginning of the reporting period	**31,896**	53,440

(b) Balance of HK$434,981,000 (2020: HK$468,781,000) represented loans from a shareholder, Dr. Kan, which bore interest at 5% per annum (2020: bore interest at 5% per annum), unsecured and repayable on demand. During the year, Dr. Kan agreed not to demand repayment of these loans until 30 June 2022 and agreed to waive the interest incurred of HK$24,075,000 for the year ended 31 March 2021. Balance of HK$37,333,000 (2020: HK$39,417,000) represents interest on the loans from a shareholder.

(c) The balance represents loans from third parties of RMB1,800,000, equivalent to approximately HK$2,129,000 (2020: RMB1,800,000, equivalent to approximately HK$1,966,000) which are unsecured, bear interest at 8% (2020: 8%) per annum and are repayable on demand.

27. INTEREST-BEARING BANK BORROWINGS

The Group's bank loan are repayable as follows:

	2021 HK$'000	2020 HK$'000
Within one year	**23,656**	63,336
In the second to fifth year inclusive	**17,742**	–
After five years	**35,484**	–
	76,882	63,336
Less: Amount due for settlement within 12 months (shown under current liabilities)	**(23,656)**	(63,336)
	53,226	–

	Loans	2021 HK$'000	2020 HK$'000
Bank loan, secured	(a)	**–**	10,920
Bank loan, secured	(b)	**–**	8,736
Bank loan, secured	(c)	**–**	21,840
Bank loan, secured	(d)	**–**	16,380
Bank loan, secured	(e)	**–**	5,460
Bank loan, secured	(f)	**23,656**	–
Bank loan, secured	(g)	**17,742**	–
Bank loan, secured	(h)	**35,484**	–
		76,882	63,336

	31 March 2021		
	Effective interest rate (%)	**Maturity**	**HK$'000**
Loan (f)	Loan prime rate* plus 2.15%	November 2021	**23,656**
Loan (g)	Loan prime rate* plus 1.90%	January 2024	**17,742**
Loan (h)	Loan prime rate* plus 1%	January 2027	**35,484**
			76,882

27. INTEREST-BEARING BANK BORROWINGS *(continued)*

	31 March 2020		
	Effective interest rate (%)	Maturity	HK$'000
Loan (a)	Loan prime rate* plus 0.59%	November 2020	10,920
Loan (b)	Loan prime rate* plus 2.95%	June 2020	8,736
Loan (c)	People's Bank of China benchmark interest rate multiplied by 280%	May 2020	21,840
Loan (d)	Loan prime rate* plus 1.6%	January 2021	16,380
Loan (e)	Loan prime rate* plus 0.5%	November 2020	5,460
			63,336

* The loan prime rate is based on the best loan rate quotations of commercial banks in Mainland China, which is authorised and published by the National Interbank Funding Centre on each business day.

At 31 March 2021, the bank loans are supported by corporate guarantee provided by certain of the Company's wholly-owned subsidiaries, personal guarantee provided by certain non-controlling shareholders of subsidiaries, and land use rights with carrying amount of RMB33,196,000, equivalent to approximately HK$39,264,000, and property, plant and equipment with carrying amount of RMB18,975,000, equivalent to approximately HK$22,443,000.

At 31 March 2020, the bank loans are supported by corporate guarantee provided by certain of the Company's wholly-owned subsidiaries of RMB67,000,000, equivalent to approximately HK$73,164,000, land use right and LNG business license.

At 31 March 2021 and 2020, the Group's bank borrowings are denominated in Renminbi.

At 31 March 2021, the Group has available unutilised bank loan facilities of approximately RMB25,000,000, equivalent to HK$29,570,000 (2020: RMB27,280,000, equivalent to HK$29,790,000)

28. LEASE LIABILITIES

The following table shows the remaining contractual maturities of the Group's lease liabilities at the end of the reporting period:

	Minimum lease payments		Present value of minimum lease payments	
	2021	2020	**2021**	2020
	HK$'000	HK$'000	**HK$'000**	HK$'000
Within one year	**55,305**	38,295	**52,561**	33,046
More than one year	**28,309**	50,064	**27,149**	46,471
Total minimum finance lease payments	**83,614**	88,359	**79,710**	79,517
Future finance charges	**(3,904)**	(8,842)		
Present value of lease obligations	**79,710**	79,517		

29. SHARE CAPITAL

	2021	2020
	HK$'000	HK$'000
Issued and fully paid:		
5,643,797,090 (2020: 5,643,797,090) ordinary shares	**112,876**	112,876

A summary of movements in the Company's share capital is as follows:

	Number of shares in issue	**Share capital**	**Share premium**	**Total**
		HK$'000	HK$'000	HK$'000
At 1 April 2019, 31 March 2020, 1 April 2020 and 31 March 2021	**5,643,797,090**	**112,876**	**434,385**	**547,261**

30. RESERVES

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity of the consolidated financial statements.

The special reserve of the Group represents (i) the difference between the nominal value of the shares of the acquired subsidiaries and the nominal value of the Company's shares issued for the acquisition under the group reorganisation; and (ii) the difference between the consideration paid for acquisition of additional interests in subsidiaries and the net carrying amounts of the acquired portion.

31. SHARE OPTION SCHEME

The Company's share option scheme (the "Scheme") was adopted pursuant to a resolution passed on 30 August 2019 so as to attract and retain the best available personnel and to provide additional incentive to the eligible participants under the Scheme.

Under the Scheme, the directors of the Company may at their absolute discretion and subject to the terms of the Scheme, grant options to any full-time employees, directors, consultants or advisors of the Group, or any substantial shareholders of the Group, or any distributors, contractors, suppliers, agents, customers, business partners or service providers of the Group, to subscribe for shares of the Company. The eligibility of any participants to the grant of any options shall be determined by the directors from time to time on the basis of the directors' opinion as to their contribution or potential contribution to the development and growth of the Group.

Under the Scheme, the maximum number of shares which may be issued upon exercise of all options to be granted under the Scheme and any other share option schemes of the Company must not in aggregate exceed 10% of the shares in issue upon the date of which the shares are listed and permitted to be dealt in the Stock Exchange. The 10% limit may be refreshed at any time by approval of the Company's shareholders provided that the total number of the Company's shares which may be issued upon exercise of all options to be granted under the Scheme and any other share options schemes of the Company must not exceed 10% of the Company's shares in issue as at the date of approval of the refreshed limit. Subject to the approval of the Company's shareholders, the aggregate number of the Company's shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and any other schemes of the Company must not exceed 30% of the Company's shares in issue from time to time. No options may be granted under the Scheme or any other share options schemes of the Company if this will result in the limit being exceeded.

The total number of shares issued and to be issued upon exercise of the options granted to each participant (including both exercised and outstanding options) under the Scheme in any 12-month period up to and including the date of grant must not exceed 1% of the issued share capital of the Company for the time being. Where any further grant of options to a participant under the Scheme would result in the shares issued and to be issued upon exercise of all options granted and to be granted to such participant (including exercised, cancelled and outstanding options) in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the shares in issue, such further grant must be separately approved by shareholders of the Company in general meeting with such participant and his associates abstaining from voting.

Share options granted to a director, chief executive or substantial shareholder of the Company, or any of their respective associates must be approved by the independent non-executive directors of the Company (excluding any independent non-executive director who or whose associate is the grantee). Where any share options granted to a substantial shareholder or an independent non-executive director of the Company, or any of their respective associates would result in the total number of shares issued and to be issued upon exercise of all options already granted (including options exercised, cancelled and outstanding) under the Scheme and any other share option schemes of the Company to such person in any 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the shares of the Company in issue and having an aggregate value in excess of HK$5 million, such grant must be approved by the Company's shareholders in general meeting.

The offer of a grant of share options might be accepted in writing within 21 days inclusive of the date of the offer. An option may be exercised in accordance with the terms of the Scheme at any time during a period as the directors may determine which shall not exceed ten years from the date of grant subject to the provisions of early termination thereof. A nominal consideration of HK$1 is payable on acceptance of the grant of an option with a remittance in favour of the Company within such time as may be specified in the offer (which shall not be later than 21 days from the date of the offer).

31. SHARE OPTION SCHEME *(continued)*

The subscription price shall be a price solely determined by the directors of the Company and notified to a participant and shall be at least the highest of: (i) the closing price of the Company's shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the option; (ii) the average closing prices of the Company's shares as stated in the Stock Exchange's daily quotations sheets for the 5 business days immediately preceding the date of grant of the option; and (iii) the nominal value of the Company's share on the date of grant of the option.

The Scheme shall be valid and effective for a period of ten years commencing on the date of share options grant and expiring on the business day immediately preceding the 10th anniversary thereof, subject to early termination provisions contained in the Scheme.

The maximum number of shares of the Company which may be issued upon exercise of all options that may be granted under the existing Scheme limit is 564,379,709 shares (representing approximately 10% of the issued share capital of the Company as at the date of approval of the Scheme).

There is no performance target which must be achieved before any of the options can be exercised.

(a) A summary of the movements of share options granted during the years ended 31 March 2021 and 2020 is as follows:

				Number of share options					
	Date of grant	Exercise period	Exercise Price	Granted during the year	Cancelled during the year	Outstanding at 31 March 2020	Granted during the year	Cancelled during the year	Outstanding at 31 March 2021
Director	31 Decmber2019	31 December 2021 to 31 December 2029	HK$0.53	2,412,000	(720,000)	1,692,000	–	–	1,692,000
		31 December 2022 to 31 December 2029	HK$0.53	2,412,000	(720,000)	1,692,000	–	–	1,692,000
		31 December 2023 to 31 December 2029	HK$0.53	3,216,000	(960,000)	2,256,000	–	–	2,256,000
Employees	31 December 2019	31 December 2021 to 31 December 2029	HK$0.53	7,200,000	–	7,200,000	–	(1,200,000)	6,000,000
		31 December 2022 to 31 December 2029	HK$0.53	7,200,000	–	7,200,000	–	(1,200,000)	6,000,000
		31 December 2023 to 31 December 2029	HK$0.53	9,600,000	–	9,600,000	–	(1,600,000)	8,000,000
Employees	15 April 2020	15 April 2022 to 15 April 2030	HK$0.248	–	–	–	1,200,000	–	1,200,000
		15 April 2023 to 15 April 2030	HK$0.248	–	–	–	1,200,000	–	1,200,000
		15 April 2024 to 15 April 2030	HK$0.248	–	–	–	1,600,000	–	1,600,000
Employees	31 March 2021	31 March 2023 to 31 March 2031	HK$0.5	–	–	–	10,350,000	–	10,350,000
		31 March 2024 to 31 March 2031	HK$0.5	–	–	–	10,350,000	–	10,350,000
		31 March 2025 to 31 March 2031	HK$0.5	–	–	–	13,800,000	–	13,800,000
				32,040,000	(2,400,000)	29,640,000	38,500,000	(4,000,000)	64,140,000

The share options are vested as: (a) first 30% on the two-year anniversary from the date of grant; (b) next 30% on the three-year anniversary from the date of grant; and (c) remaining 40% on the four-year anniversary from the date of grant.

31. SHARE OPTION SCHEME *(continued)*

(b) The number and weighted average of exercise prices of share options are as follows:

	2021 Weighted average of exercise price HK$	**2021** Number of options	2020 Weighted average of exercise price HK$	2020 Number of options
Outstanding at the beginning of year	**0.53**	**29,640,000**	–	–
Granted during the year	**0.474**	**38,500,000**	0.53	32,040,000
Cancelled during the year	**0.248**	**(4,000,000)**	0.53	(2,400,000)
Outstanding at the end of year	**0.496**	**64,140,000**	0.53	29,640,000

There were 4,000,000 (2020: 2,400,000) share options cancelled during the year ended 31 March 2021.

The share options outstanding at 31 March 2021 had a weighted average exercise price of HK$0.496 (2020: HK$0.53) and a weighted average remaining contractual life of 9.45 years (2020: 9.76 years).

(c) Fair value of share options granted

Fair value of share options granted during the years ended 31 March 2021 and 2020 was as follows:

Grantees	Position	Date of grant	Number of share of the Company to be issued upon exercise of the options granted to such grantee in full	Fair value of the options granted (in HK$'000)
Directors				
Kan Che Kin, Billy Albert	Chairman, Executive Director and Substantial shareholder of the Company	31 December 2019	5,640,000	1,902
Lam Yu Yeung (note 1)	Chairman Director and Chief Financial Office of the Company	31 December 2019	2,400,000	809
Employees				
Wang Guoliang	Deputy General Manager	31 December 2019	20,000,000	5,973
		31 March 2021	20,000,000	5,270
Tan QiSheng (note 2)	Deputy General Manager	31 December 2019	4,000,000	1,195
Wong Lai Shan	Financial Controller	15 April 2020	4,000,000	544
		31 March 2021	3,000,000	790
Other 33 employees		31 March 2021	11,500,000	3,030

31. SHARE OPTION SCHEME *(continued)*

(c) Fair value of share options granted *(continued)*

Note 1: Mr. Lam Yu Yeung resigned as a director on 6 March 2020, the share options granted to Mr. Lam were cancelled on 6 March 2020.

Note 2: Mr. Tan QiSheng was terminated his employment with the Group on 9 May 2020, the share options granted to Mr. Tan were cancelled on 9 May 2020.

The fair value of services received in return for share options granted are measured by reference to the fair value of share options granted. The estimate of the fair value of the share option granted is measured based on Binomial Option Pricing Model.

	31 March 2021	15 April 2020	31 December 2019
The closing price of the Company's share immediately before the date of grant (HK$)	**0.48**	0.249	0.53
Share price of the Company at the date of grant (HK$)	**0.47**	0.248	0.53
Exercise price (HK$)	**0.50**	0.248	0.53
Expected volatility (%)	**68.849**	68.074	69.113
Expected dividend yield (%)	**0**	0	0
Risk-free interest rate (%)	**1.1323**	0.634	1.706

The expected volatility is based on the historical volatility (calculated based on the expected life of the share options), adjusted for any expected changes to future volatility due to public available information. Expected dividends are based on historical dividends. Changes in subjective input assumptions could materially affect the fair value estimate. Share options were granted under a service condition. This condition has not been taken into account in the grant date fair value measurement of the services received. There were no market conditions associated with the share option grants. However, the management has taken into consideration of historical staff turnover pattern for the estimation of expected option life.

32. DISPOSAL OF SUBSIDIARIES

(a) On 8 December 2020, CLNG Natural Gas Co., Ltd.* (港能天然氣有限責任公司), an indirect wholly-owned subsidiary of the Company and Hebei Luye Hengtian Natural Gas Sales Co., Ltd.* (河北綠野恆天天然氣銷售有限公司) ("Hebei Luye Hengtian") entered into a sale and purchase agreement, pursuant to which the subsidiary has conditionally agreed to sell and Hebei Luye Hengtian has conditionally agreed to purchase 70% equity interests in Hebei Ganglai Natural Gas Co., Ltd.* (河北港淶天然氣有限公司) ("Hebei Ganglai") at a total consideration of RMB3,000,000.

After the completion of the disposal of the 70% interest in Hebei Ganglai on 14 December 2020, Hebei Ganglai ceased to be a subsidiary of the Group.

	HK$'000
Property, plant and equipment	2,572
Deposits and other receivables	4,693
Cash and cash equivalents	3
Accounts and other payables	(123)
	7,145
Release of exchange reserve	511
Non-controlling interest	(2,380)
Loss on disposal of a subsidiary	(1,836)
	3,440
Satisfied by:	
Cash consideration	3,440

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of Hebe Ganglai during the year was as follows:

	HK$'000
Cash consideration	3,440
Cash and cash equivalents disposed of	(3)
	3,437

32. DISPOSAL OF SUBSIDIARIES *(continued)*

(b) On 1 July 2020, CLNG Natural Gas Co., Ltd.* (港能天然氣有限責任公司), an indirect wholly-owned subsidiary of the Company and Xi'an Sisheng Energy Technology Co., Ltd.* (西安思晟能源技術有限公司) ("Xi'an Sisheng") entered into a sale and purchase agreement, pursuant to which the subsidiary has conditionally agreed to sell and Xi'an Sisheng has conditionally agreed to purchase 51% equity interests in Shanxi Gangneng Natural Gas Co., Ltd.* (陝西港能天然氣有限公司) ("Shanxi Gangneng") at a total consideration of RMB150,000.

After the completion of the disposal of the 51% interest in Shanxi Gangneng on 6 August 2020, Shanxi Gangneng ceased to be a subsidiary of the Group.

	HK'000
Deposits and other receivables	912
Accounts and other payables	(174)
	738
Release of exchange reserve	35
Non-controlling interest	212
Loss on disposal of a subsidiary	(813)
	172
Satisfied by:	
Cash consideration	172

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of Shannxi Gangneng during the year was as follows:

	HK$'000
Cash consideration	172

32. DISPOSAL OF SUBSIDIARIES *(continued)*

(c) On 6 September 2019, Zhejiang Gangneng Natural Gas Utilization Co., Ltd.* (浙江港能天然氣利用有限責任公司), an indirect wholly-owned subsidiary of the Company, Wang Yaojian* (汪耀堅) and Zhao Zhizhong* (趙志忠) entered into a sale and purchase agreement, pursuant to which the subsidiary has conditionally agreed to sell and both Wang Yaojian and Zhao Zhizhong have conditionally agreed to purchase 51% equity interests in Zhejiang Gangsheng New Energy Technology Co., Ltd.* (浙江港盛新能源科技有限公司) ("Gangsheng New Energy") at a total consideration of RMB180,000.

After the completion of the disposal of the 51% interest in Gangsheng New Energy on 27 September 2019, Gangsheng New Energy ceased to be a subsidiary of the Group.

	HK$'000
Property, plant and equipment	6
Deposits and other receivables	253
Cash and bank balances	206
Accounts and other payables	(88)
	377
Release of exchange reserve	24
Non-controlling interest	(185)
Loss on disposal of a subsidiary	(18)
	198
Satisfied by:	
Cash consideration	198

An analysis of the net outflow of cash and cash equivalents in respect of the disposal of Gangsheng New Energy during the year was as follows:

Cash consideration	198
Cash and cash equivalents disposed of	(206)
	(8)

32. DISPOSAL OF SUBSIDIARIES *(continued)*

(d) On 30 July 2019, Jiangsu Gangyida Energy Co., Ltd.* (江蘇港易達能源有限公司), an indirect wholly-owned subsidiary of the Company and Zhejiang Free Trade Zone Qianzhu Energy Co., Ltd.* (浙江自貿區千竹能源有限公司) ("Qianzhu Energy") entered into a sale and purchase agreement, pursuant to which the subsidiary has conditionally agreed to sell and Qianzhu Energy has conditionally agreed to purchase 100% equity interests in Puyang Green Dynamic New Energy Co., Ltd.* (沭陽綠動新能源有限公司) ("Puyang Green Dynamic") at a consideration of RMB16,380,000.

After the completion of the disposal of the 100% interest in Puyang Green Dynamic on 19 September 2019, Puyang Green Dynamic ceased to be a subsidiary of the Group.

	HK$'000
Property, plant and equipment	24,555
Inventories	125
Deposits and other receivables	829
Cash and bank balances	166
Deposits for acquisition of plant and equipment	97
Accounts and other payables	(15,774)
	9,998
Release of exchange reserve	(310)
Gain on disposal of a subsidiary	8,353
	18,041
Satisfied by:	
Cash consideration	18,041

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of Puyang Green Dynamic during the year was as follows:

Cash consideration	18,041
Cash and cash equivalents disposed of	(166)
	17,875

32. DISPOSAL OF SUBSIDIARIES *(continued)*

(e) On 24 July 2019, CLNG Natural Gas Co., Ltd. (港能天然氣有限責任公司), an indirect wholly-owned subsidiary of the Company and Henan Xinhemei Clean Energy Co., Ltd.* (河南鑫和美清潔能源有限公司) ("Henan Xinhemei") entered into a sale and purchase agreement, pursuant to which the subsidiary has conditionally agreed to sell and Henan Xinhemei has conditionally agreed to purchase 51% equity interests in Henan Jingang Energy Co., Ltd.* (河南金港能源有限公司) ("Henan Jingang") at a consideration of RMB700,000.

After the completion of the disposal of the 51% interest in Henan Jingang on 30 July 2019, Henan Jingang ceased to be a subsidiary of the Group.

	HK$'000
Cash and bank balances	1,102
Accounts and other payables	(540)
	562
Gain on disposal of a subsidiary	209
	771
Satisfied by:	
Cash consideration	771

An analysis of the net outflow of cash and cash equivalents in respect of the disposal of Henan Jingang during the year was as follows:

Cash consideration	771
Cash and cash equivalents disposed of	(1,102)
	(331)

33. NOTE TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

Changes in liabilities arising from financing activities

31 March 2021

	Loans from a shareholder HK$'000	Interest-bearing bank borrowings HK$'000	Other payables and accruals HK$'000	Lease liabilities HK$'000
At 1 April 2020	468,781	63,336	467,091	79,517
Changes from financing activities				
– Capital element of lease liabilities paid	–	–	–	(5,385)
– Interest element of lease liabilities paid	–	–	–	(3,573)
– Loan from a shareholder	2,007	–	–	–
– Repayment to a shareholder	(36,899)	–	–	–
– Interest paid on interest-bearing bank borrowings	–	(4,104)	–	–
– Interest paid on loans from third parties	–	–	(121)	–
– New bank loans	–	80,262	–	–
– Repayment of bank loan	–	(72,236)	–	–
Interest expenses	–	4,104	121	3,573
Disposal of subsidiaries	–	–	(297)	–
Changes classified as operating cash flows	–	–	(10,956)	–
New lease entered	–	–	–	5,208
Foreign exchange movement	1,092	5,520	8,140	370
At 31 March 2021	434,981	76,882	463,978	79,710

31 March 2020

	Loans from a shareholder HK$'000	Interest-bearing bank borrowings HK$'000	Other payables and accruals HK$'000	Lease liabilities HK$'000
At 1 April 2019	493,922	50,244	541,798	30,977
Changes from financing activities				
– Capital element of lease liabilities paid	–	–	–	(19,895)
– Interest element of lease liabilities paid	–	–	–	(3,762)
– Loans from a shareholder	18,940	–	–	–
– Repayment to a shareholder	(42,552)	–	–	–
– Interest paid on interest-bearing bank borrowings	–	(2,802)	–	–
– Interest paid on loans from third parties	–	–	(2,913)	–
– Interest paid on loans from a shareholder	–	–	(4,277)	–
– New bank loans	–	98,710	–	–
– Repayment of bank loan	–	(83,927)	–	–
– Loans from third parties	–	–	(44,795)	–
– Advance of loans from joint ventures	–	–	(47,907)	–
Interest expenses	–	2,802	26,129	3,762
Disposal of subsidiaries	–	–	(16,314)	–
Changes classified as operating cash flows	–	–	45,630	–
New lease entered	–	–	–	77,016
Write-off on termination of lease	–	–	–	(6,535)
Foreign exchange movement	(1,529)	(1,691)	(30,260)	(2,046)
At 31 March 2020	468,781	63,336	467,091	79,517

34. COMMITMENTS

The Group had the following capital commitments at the end of the reporting period:

	2021 **HK$'000**	2020 HK$'000
Contracted but not provided for:		
Property, plant and equipment	**359,768**	317,731

In addition, the Group's share of a joint venture's own capital commitments, which are not included in the above, is as follows:

	2021 **HK$'000**	2020 HK$'000
Contracted but not provided for	**4,953**	4,573

35. RELATED PARTY TRANSACTIONS

(a) Saved as disclosed elsewhere in these consolidated financial statements, the Group had the following material transactions with its related parties during the year.

	2021 **HK$'000**	2020 HK$'000
Provision of LNG logistic service to a joint venture (Note 1)	**19,533**	–
Purchase from a joint venture (Note 1)	**25,396**	–
Interest expense on loans from an executive director and the substantial shareholder (Note 2)	**–**	23,216

Notes:

(1) The joint venture is 港海能源(珠海)有限公司。

(2) Dr. Kan is an executive director and the chairman of the Company. As such, Dr. Kan is a connected person of the Company pursuant to Chapter 14A of the Listing Rules. Thus, the transactions constitute connected transactions for the Company under the Listing Rules.

(b) The Company entered into loan facility agreements with Dr. Kan in relation to the provision of standby facilities of HK$800,000,000 (2020: HK$800,000,000) to the Company by Dr. Kan. At 31 March 2021, this facility had been utilised to the extent of HK$434,981,000 (2020: HK$468,781,000).

35. RELATED PARTY TRANSACTIONS *(continued)*

(c) Compensation of key management personnel

The remuneration of key management personnel during the year was as follows:

	2021 **HK$'000**	2020 HK$'000
Short-term benefits	**15,128**	19,769
Post-employment benefits	**3,543**	4,245
Share-based payments	**2,887**	775
	21,558	24,789

Further details of director's emoluments are included in note 7 to the consolidated financial statements.

(d) Outstanding balances with related parties

(i) Details of the Group's loans from a shareholder, Dr. Kan, are included in note 26(b) to the consolidated financial statements.

(ii) Details of the loan to a joint venture is included in note 16 to the consolidated financial statements.

(iii) Certain properties under right-of-use assets are guaranteed by a shareholder, Dr. Kan.

36. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

Details of the Group's subsidiaries that have material non-controlling interests are set out below:

	2021	2020
Percentage of equity interest held by non-controlling interests:		
Key Fit Group Limited and its subsidiaries	**39.58%**	39.58%

	2021 **HK$'000**	2020 HK$'000
Loss for the year allocated to non-controlling interests:		
Key Fit Group Limited and its subsidiaries	**(15,902)**	(46,305)
Accumulated balances of non-controlling interests at the reporting date:		
Key Fit Group Limited and its subsidiaries	**375,530**	366,343

36. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS *(continued)*

The following tables illustrate the summarised financial information of the above subsidiaries. The amounts disclosed are before any inter-company eliminations:

Year ended 31 March 2021	**Key Fit Group Limited and its subsidiaries HK$'000**
Revenue	**6,707**
Total expense	**(46,883)**
Loss for the year	**(40,176)**
Total comprehensive income for the year	**23,210**
Current assets	**1,232,749**
Non-current assets	**918**
Non-current liability	**–**
Current liabilities	**(284,881)**
Net cash flows from operating activities	**6,573**
Net cash flows from investing activities	**–**
Net cash flows used in financing activities	**(21,862)**
Net decrease in cash and cash equivalents	**(15,289)**

Year ended 31 March 2020	Key Fit Group Limited and its subsidiaries HK$'000
Revenue	31,091
Total expenses	(148,082)
Loss for the year	(116,991)
Total comprehensive loss for the year	(158,394)
Current assets	1,335,003
Non-current assets	47,249
Non-current liability	(1,531)
Current liabilities	(455,145)
Net cash flows from operating activities	1,858
Net cash flows from investing activities	65,745
Net cash flows used in financing activities	(25,007)
Net increase in cash and cash equivalents	42,596

37. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

Financial assets

	2021 HK$'000	2020 HK$'000
Receivables under LNG finance lease arrangements	–	6,342
LNG finance lease receivables	–	6,468
Loan receivables	112,357	102,878
Accounts receivables	31,154	66,730
Financial assets included in deposits and other receivables	64,800	75,200
Bank balances held on behalf of clients	–	1,590
Cash and cash equivalents	68,420	50,031
	276,731	309,239

Financial liabilities

	2021 HK$'000	2020 HK$'000
Accounts payables	86,462	86,731
Financial liabilities included in other payables and accruals	873,639	867,259
Interest-bearing bank borrowings	76,882	63,336
Lease liabilities	79,710	79,517
	1,116,693	1,096,843

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's major financial instruments include cash and cash equivalents, bank balances held on behalf of clients, financial assets included in receivables under finance lease arrangements and LNG finance lease receivables, loan receivables, accounts and other receivables, loans from third parties, accounts and other payables, interest-bearing bank borrowings and lease liabilties. Details of these financial instruments are disclosed in the respective notes to these consolidated financial statements. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management of the Group manages and monitors these exposures to ensure that appropriate measures are implemented in a timely and effective manner.

Credit risk

The Group's principal financial assets are cash and cash equivalents, receivables under finance lease arrangements, LNG finance lease receivables, loan receivables, accounts and other receivables and loans to third parties.

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

Maximum exposure as at 31 March 2021

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 March 2021. The amounts presented are gross carrying amounts for financial assets.

	12-month ECLs	Lifetime ECLs			
	Stage 1 HK$'000	Stage 2 HK$'000	Stage 3 HK$'000	Simplified approach HK$'000	Total HK$'000
Receivables under LNG finance lease arrangements *	–	–	–	12,400	12,400
LNG finance lease receivables *	–	–	–	26,360	26,360
Loan receivables					
– Default **	–	–	219,040	–	219,040
Accounts receivables arising from dealing in securities **					
– LTV at 100% or above	–	–	5,568	–	5,568
– Cash client	–	–	317	–	317
Accounts receivables arising from LNG business *	–	–	–	61,169	61,169
Financial assets included in deposits and other receivables					
– Normal **	65,775	–	–	–	65,775
Loans to third parties					
– Not yet past due	2,081	–	–	–	2,081
Cash and cash equivalents					
– Not yet past due	68,420	–	–	–	68,420
	136,276	–	224,925	99,929	461,130

* For receivables under LNG finance lease arrangements, LNG finance lease receivables and accounts receivables arising from LNG business to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in the respective notes to the financial statements.

** The credit quality is considered to be "normal" when they are not past due or the LTV is below 100% and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be "default".

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

Maximum exposure as at 31 March 2020

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 March 2020. The amounts presented are gross carrying amounts for financial assets.

	12-month ECLs	Lifetime ECLs			
	Stage 1 HK$'000	Stage 2 HK$'000	Stage 3 HK$'000	Simplified approach HK$'000	Total HK$'000
Receivables under LNG finance lease arrangements *	–	–	–	23,343	23,343
LNG finance lease receivables *	–	–	–	33,588	33,588
Loan receivables					
– Default **	–	–	167,115	–	167,115
Accounts receivables arising from dealing in securities **					
– LTV at 100% or above	–	–	52,757	–	52,757
– Cash client	594	–	–	–	594
Accounts receivables arising from LNG business *	–	–	–	75,051	75,051
Financial assets included in deposits and other receivables					
– Normal **	73,442	–	–	–	73,442
Loans to third parties					
– Not yet past due	1,758	–	–	–	1,758
Bank balance held on behalf of clients					
– Not yet past due	1,590	–	–	–	1,590
Cash and cash equivalents					
– Not yet past due	50,031	–	–	–	50,031
	127,415	–	219,872	131,982	479,269

* For receivables under LNG finance lease arrangements, LNG finance lease receivables and accounts receivables arising from LNG business to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in the respective notes to the financial statements.

** The credit quality is considered to be "normal" when they are not past due or the LTV is below 100% and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be "default".

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

Interest rate risk

The Group's exposure to changes in interest rates is mainly attributable to its interest-bearing bank and other borrowings. Borrowings at variable rates expose the Group to interest rate risk. The Group currently does not have an interest rate hedging policy. However, the management of the Group monitors the Group's interest rate exposure and considers entering into interest rate swaps to reduce its exposure to interest rate fluctuations should the need arise.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's loss before tax (through the impact on floating rate borrowings) and the Group's equity (before any impact on tax).

	Increase in interest rate	Increase in loss before tax HK$'000	Decrease in equity* HK$'000
31 March 2021			
Interest-bearing bank borrowings	100 basis points	**769**	**–**
31 March 2020			
Interest-beraing bank borrowings	100 basis points	633	–

* Excluding retained profits

Foreign exchange risk

The Group operates mainly in Hong Kong and Mainland China with most of its transactions settled in Hong Kong dollars and Renminbi. Certain of the Group's monetary assets and liabilities are denominated in US$. The Group is exposed to foreign exchange risk arising from the exposure of Renminbi and US$ against HK$. The Group considered the impact on equity from the change in US$ exchange rate was minimal at the end of the reporting period since HK$ is pegged to US$. In the current year, all of the Group's bank and other borrowings are denominated in Renminbi.

Management monitors the Group's currency exposure on an ongoing basis and considers entering into forward currency contracts when the need arises.

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

Foreign exchange risk *(continued)*

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the Renminbi exchange rate, with all other variables held constant, of the Group's loss before tax (due to changes in the fair value of monetary assets and liabilities).

	Increase in exchange rate %	Increase in loss before tax HK$'000
31 March 2021		
If Hong Kong dollar weakens against Renminbi	**5**	**3,084**
31 March 2020		
If Hong Kong dollar weakens against Renminbi	5	5,276

Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank borrowings. The Group regularly reviews its major funding positions to ensure that it has adequate financial resources in meeting its financial obligations.

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

	31 March 2021			
	On demand and less than 12 months HK$'000	**1 to 5 years HK$'000**	**After 5 years HK$'000**	**Total HK$'000**
Accounts payables	**86,462**	**–**	**–**	**86,462**
Financial liabilities included in other payables and accruals	**438,658**	**434,981**	**–**	**873,639**
Interest-bearing bank borrowings	**27,259**	**27,628**	**37,170**	**92,057**
Lease liabilities	**55,305**	**27,134**	**1,175**	**83,614**
	607,684	**489,743**	**38,345**	**1,135,772**

	31 March 2020			
	On demand and less than 12 months HK$'000	1 to 5 years HK$'000	After 5 years HK$'000	Total HK$'000
Accounts payables	86,731	–	–	86,731
Financial liabilities included in other payables and accruals	359,061	508,198	–	867,259
Interest-bearing bank borrowings	63,336	–	–	63,336
Lease liabilities	38,295	50,064	–	88,359
	547,423	558,262	–	1,105,685

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2021 and 2020.

The Group monitors capital using a gearing ratio, which is net debt divided by the total equity of the Group. Net debt includes accounts payables, other payables and accruals, interest-bearing bank borrowings, lease liabilities and cash and cash equivalents. Capital includes total equity of the Group. The gearing ratios as at the end of the reporting periods were as follows:

	2021 HK$'000	2020 HK$'000
Accounts payables	**86,462**	86,731
Other payables and accruals, and loans from a shareholder	**898,959**	935,872
Interest-bearing bank borrowings	**76,882**	63,336
Lease liabilities	**79,710**	79,517
Less: Cash and cash equivalents	**(68,420)**	(50,031)
Net debt	**1,073,593**	1,115,425
Total equity	**455,708**	512,669
Gearing ratio	**236%**	218%

39. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

	2021 **HK$'000**	2020 HK$'000
NON-CURRENT ASSETS		
Investments in subsidiaries	**462,945**	462,945
Right-of-use assets	**184**	1,287
Total non-current assets	**463,129**	464,232
CURRENT ASSETS		
Amount due from a subsidiary	**733,206**	733,206
Prepayments	**456**	456
Cash and cash equivalents	**200**	346
Total current assets	**733,862**	734,008
CURRENT LIABILITIES		
Other payables and accruals	**1,042**	819
Lease liabilties	**183**	1,129
Amounts due to subsidiaries	**347,573**	344,961
Amount due to a shareholder	**–**	–
Total current liabilities	**348,798**	346,909
NET CURRENT ASSETS	**385,064**	387,099
TOTAL ASSETS LESS CURRENT LIABILITIES	**848,193**	851,331
NON-CURRENT LIABILITIES		
Lease liabilities	**–**	183
Loans from a shareholder	**203,178**	203,178
Total non-current liabilities	**203,178**	203,361
NET ASSETS	**645,015**	647,970
EQUITY		
Share capital	**112,876**	112,876
Reserves (note)	**532,139**	535,094
Total equity	**645,015**	647,970

39. STATEMENT OF FINANCIAL POSITION OF THE COMPANY *(continued)*

Note:

A summary of the Company's reserves is as follows:

	Share premium HK$'000	Special reserve HK$'000	Share option reserve HK$'000	Accumulated losses HK$'000	Total HK$'000
At 1 April 2019	434,385	112,369	–	8,821	555,575
Total comprehensive loss for the year	–	–	–	(21,256)	(21,256)
Share-based payments	–	–	825	–	825
Cancellation of share options	–	–	(50)	–	(50)
At 31 March 2020 and 1 April 2020	434,385	112,369	775	(12,435)	535,094
Total comprehensive loss for the year	**–**	**–**	**–**	**(5,739)**	**(5,739)**
Share-based payments	**–**	**–**	**2,930**	**–**	**2,930**
Cancellation of share option	**–**	**–**	**(146)**	**–**	**(146)**
At 31 March 2021	**434,385**	**112,369**	**3,559**	**(18,174)**	**532,139**

40. EVENTS AFTER THE REPORTING PERIOD

(a) On 2 February 2021, the Group entered into a sale and purchase agreement with an independent third party for the disposal of 25% of issued share capital of 舟山深能燃氣發展有限公司, an assoicate, for cash consideration of RMB2,500,000 (equivalent to approximately HK$2,867,000). The carrying amount of the Group's interest in 舟山深能燃氣發展有限公司 was zero at that date. The disposal of associate was completed on 2 April 2021.

(b) On 7 April 2021, 100,000,000 share options were proposed to grant to Dr. Kan with an exercise price of HK$0.5 per share, An extraordinary general meeting will be held on 16 July 2021 to approve, confirm and ratify the grant. Further details are set out in the Company's announcement dated 8 April 2021 and the circular dated 28 June 2021.

Financial Summary

	For the year ended 31 December 2016 HK$'000	2017 HK$'000	Period from 1 January 2018 to 31 March 2019 HK$'000	Year ended 31 March 2020 HK$'000	**Year ended 31 March 2021 HK$'000**
RESULTS					
Revenue	200,711	897,672	2,670,934	1,857,438	**775,235**
Profit/(loss) before tax	155,141	(135,132)	(247,748)	(304,540)	**(113,743)**
Taxation	(2,332)	(16,935)	(6,885)	(2,218)	**4,306**
Profit/(loss) for the year/period	152,809	(152,067)	(254,633)	(306,758)	**(109,437)**
Attributable to:					
Owners of the parent	92,023	(123,729)	(254,328)	(252,203)	**(82,264)**
Non-controlling interests	60,786	(28,338)	(305)	(54,555)	**(27,173)**
Profit/(loss) for the year/period	152,809	(152,067)	(254,633)	(306,758)	**(109,437)**

	At 31 December 2016 HK$'000	2017 HK$'000	At 31 March 2019 HK$'000	2020 HK$'000	**2021 HK$'000**
ASSETS AND LIABILITIES					
Total assets	1,627,362	1,588,160	2,084,021	1,686,393	**1,602,584**
Total liabilities	(245,084)	(343,746)	(1,183,592)	(1,173,724)	**(1,146,876)**
Total equity	1,382,278	1,244,414	900,429	512,669	**455,708**