



EvDynamics

Ev Dynamics (Holdings) Limited
科軒動力（控股）有限公司

(Incorporated in Bermuda with limited liability)
(Stock Code: 476)

Interim Report
2021/22



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Corporate Information

DIRECTORS

Executive Directors

Mr. Cheung Ngan (*Chairman*)
Mr. Miguel Valdecabres Polop
(*Chief Executive Officer*)
Ms. Chan Hoi Ying

Independent Non-Executive Directors

Mr. Chan Francis Ping Kuen
Mr. Lee Kwok Leung
Dato' Tan Yee Boon

AUDIT COMMITTEE

Mr. Chan Francis Ping Kuen
Mr. Lee Kwok Leung
Dato' Tan Yee Boon

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AUTHORISED REPRESENTATIVE

Ms. Chan Hoi Ying
Ms. Lo Lai Man, CPA

COMPANY SECRETARY

Ms. Lo Lai Man, CPA

PRINCIPAL BANKER

Bank of Communications Co., Ltd
Hang Seng Bank Limited

WEBSITE

www.evdynamics.com

Management Discussion and Analysis

The board of directors (the “Board”) of Ev Dynamics (Holdings) Limited (the “Company”) is pleased to present the unaudited consolidated interim results of the Company and its subsidiaries (the “Group”) for the six months ended 30 September 2021.

RESULTS

During the period ended 30 September 2021, the Group recorded revenue of approximately HK\$29.7 million (30 September 2020: HK\$21.5 million) derived from the sale of electric vehicles. Gross profit amounted to approximately HK\$4.1 million (30 September 2020: HK\$7.0 million), with the gross profit ratio of 13.7% (30 September 2020: 32.5%). The increase in revenue for the sales of electric vehicles was the result of increases in sales orders. During the period under review, the Group has continued to enhance its research and development capabilities as well as the efforts on international sales, as such the Group has been able to maintain an upward trend on the sales turnover successfully. The Group will continue to work on a cost optimization plan to ensure maximum efficiency and add more value to its final products. Details of the Group’s current development are set out in the section headed “Business Review” below.

The Group recorded a loss of approximately HK\$53.9 million for the period as compared to a loss of approximately HK\$29.2 million for the corresponding period. The increase in loss was mainly due to the increase in administrative expenses to approximately HK\$54.7 million (30 September 2020: HK\$38.0 million). The increase in administrative expenses was mainly attributable to: (i) the legal and professional fees amounted to approximately HK\$5.2 million (30 September 2020: HK\$ nil) incurred from the proposed secondary listing; and (ii) an increase in research and development expenses to approximately HK\$4.0 million (30 September 2020: HK\$0.6 million). The Group will continue to work on a cost optimization plan to be more efficient aiming to add more value to the final product.

The loss attributable to owners of the Company was approximately HK\$49.6 million (30 September 2020: HK\$27.7 million). Basic and diluted loss per share for the period was HK\$0.0058 per share (30 September 2020: HK\$0.004 per share).

INTERIM DIVIDEND

The directors of the Company do not recommend the payment of any interim dividend for the six months ended 30 September 2021 (30 September 2020: HK\$ nil).

Management Discussion and Analysis

BUSINESS REVIEW

Electric bus (“eBus”) and electric vehicles (“EVs”)

The Group, through its subsidiary, Chongqing Suitong New Energy Automotive Manufacturing Co., Ltd. (“Suitong”), has a production base in Chongqing engaged in the manufacture of electric buses and their entire electric power and control systems, the manufacture of other buses, and the marketing and selling of vehicle components.

During the period ended 30 September 2021, the Group has continued to diversify its sales network into various overseas markets.

As discussed in last annual report, the Group has already completed the development of a customised city bus named COMET which stands for Community Optimized Managed Electric Transport. COMETs are designed for emerging markets around the world. The first showcase of this pioneering and environmentally friendly form of public transportation was carried out in Davao and Manila of Philippines. In the current period, the Group has successfully completed part of the sales orders of COMET to Philippines and are thus recorded in the current period’s results. The potential of COMET is enormous and we expect many more orders will be completed in the near future. In 2021, the Group has received sizable orders and will deliver no fewer than 500 COMET units in the coming 24 months. The Company is currently producing these follow-up orders and is expected to deliver around 100 units of the COMET before end of 2022. The Group believes that COMET is by far the most suitable and feasible model for replacing the Jeepney in Philippines. COMET is the ideal replacement for other microbus type products, which are the dominant means of transport in the world’s densest cities. The market size of the Jeepney in the Philippines is several hundred thousand units. The Group is very confident in dominating the Philippines Jeepney market through progressive market penetration.

The Group has also developed a logistic vehicle type “cabin chassis platform”, which is a complete chassis with a driver cabin, and with powertrain, battery pack, steering, wheels and brakes etc. This way the Group can meet the B2B business demand coming from local bus manufacturers that lack the technology to develop their own platform. During the period, the Group have completed delivery of several units of 6-meter and 7.5-meter electric van and chassis to Spain and Mexico. The Group strongly believe that a trend for a faster rollout for overseas markets is now underway. Again, the Group is highly confident that further orders from Pan America and Europe will be secured following the trial period of this first series of orders.

The Group has already secured a sizable order for 12-meter e-platforms and another 12-meter city bus from Latin America. These orders will certainly contribute positive revenue upon completion and will therefore improve the Group’s overall financial performance. Nevertheless, as a result of the travel restrictions imposed in response to the COVID-19 pandemic, together with country-specific impact from the pandemic, the completion of such sales orders has been complicated by unexpected delays.

Management Discussion and Analysis

For Hong Kong local market, orders for new smart electric buses going through Hong Kong Productivity Council are currently under negotiation. The Company will also start to sell our full electric 65-seats coach to the Hong Kong market. Two of the coaches have already arrived in Hong Kong and is ready to sell and we are now negotiating terms with prospective buyers. The Group is optimistic that tourism will revive in the post pandemic era, and will drive a big demand for the inevitable switching to electrify coaches. Given our coaches are currently almost the only approved model of their type in Hong Kong, we are confident that the Company has a very strong advantage in this more than 7,000 unit-strong market sector. In addition, the Company had launched its full electric 19-seat low-floor minibus late last year, which will be ready for sale in the second half of this year. The Company has already secured a small trial order for this minibus. This minibus is suitable for both the franchise and non-franchise minibus sectors in Hong Kong with total more than 4,000 units. Given our minibus's unique low-floor design with no comparable model at this moment, the Company is highly confident that we can secure a sizeable market share in these sectors.

On 30 April 2021, the Company entered into an investment agreement with independent third parties on its conditional agreement to subscribe for 2,698 shares of Quantron AG ("Quantron"), the target company, representing approximately 4.98% of the enlarged share capital of the target company at a consideration of EUR2,027,929.91 (equivalent to approximately HK\$19,062,000). Also, on 29 July 2021, the Company entered into an subscription agreement with Quantron, pursuant to which the Company has conditionally agreed to subscribe for a further 6,459 subscription shares of Quantron, representing approximately 10.18% of the enlarged share capital of Quantron, at the consideration of EUR5,000,000 (equivalent to approximately HK\$45,848,191). The consideration is satisfied by the Company to allot and issue 254,712,175 consideration shares at the issue price of HK\$0.18 per consideration share to Quantron upon completion. Hence, the Company held a total of 9,157 shares of Quantron, representing approximately 14.43% of the enlarged share capital of Quantron. Quantron is a company incorporated in Germany principally engaged in e-mobility in inner-city and regional passenger and freight transport. They specialize in the electrification of used and existing vehicles. They offers a wide spectrum of new e-commercial vehicles based on the requirements and needs of its customers, which ranges from electric vans and e-buses to electric heavy-duty tractor units. Quantron also provides logistics services, battery solutions, and comprehensive consulting services. The Group believes that this investment will bring synergy effect and present a good opportunity to further expand our business in Europe. The Group has delivered both 12-meter full electric bus and 4.5 tones full electric mini truck to Europe after the period end, and a hydrogen bus ready to be delivered to Europe by end of 2021. The demand for electric buses and vehicles in Europe is strongly growing and the Company expects that there will be a steady stream of orders after the delivery of these buses.

Management Discussion and Analysis

The COVID-19 pandemic has inevitably affected the Group's production schedule as well as the placement and fulfilment of orders, particularly those from overseas. The restrictions worldwide have made it impossible for Suitong's technical personnel to travel to target markets to perform product commissioning. Travel bans and lockdowns remain a significant challenge for the Group, as they make the order process and cooperation more difficult since EV products have to comply with local regulations and operational requirements.

However, the Group still able to pick up sales order nicely and recorded an increase in revenue to approximately HK\$29.7 million during the first half period, which was higher than the full year revenue during the last year ended 31 March 2021 of approximately HK\$23.8 million. The decrease in gross profit ratio to 13.7% in the current period (30 September 2020: 32.5%) was resulted from the vigorous competition in the industry. The Group is confident to cope with the challenge and are capable to increase the market share in the near future.

The Group is currently utilizing the existing production plant in the Wulong District of Chongqing, which has sufficient production capacity to cope with the increasing number of overseas orders. The main building blocks of the new production plant in the Qijiang District of Chongqing, meanwhile, have been completed but the installation of production equipment has still not commenced. The Group is evaluating the situation and is considering the best use of the new plant in order to maximize its efficiency and the Group's interest.

Mining and production of mineral products

The Group's wholly-owned subsidiary, Guangxi Weiri Mining Company Limited (the "Guangxi Weiri"), owns a glauberite mine located in the Guangxi Zhuang Autonomous Region of the PRC (the "Glauberite Mine"). The product extracted from the Glauberite Mine is thenardite, an important raw material used in chemical and light industrial manufacturing. No other significant exploration, development or production activity related to the Glauberite Mine was conducted during the period ended 30 September 2021. The mineral resources available have not changed since its acquisition on 28 February 2014. Further details regarding these resources are available in the "Mineral Resources and Ore Reserves" section below.

Guangxi Weiri has completed the purchase of land use rights covering 63,118 square meters of land at a cost of RMB7.6 million. Another RMB8.4 million has been paid for approximately 100,000 square meters of land for a factory site, however, relevant land use rights have not yet been issued as the local government is still executing the land management process. The purchase procedure for approximately 41,500 square meters of land for road access has also been completed, but no payment has been made to the government thus far since the land use rights of the second parcel of land as stated above are still pending approval. An accumulated expenditure of approximately RMB18.5 million was incurred for the construction of an access road to the factory site. Guangxi Weiri is working closely with the local government to resolve the land issue. The Group has been in regular communication with the local government and has closely monitored the progress of the issuance of land use rights.

Management Discussion and Analysis

The Group has closely monitored the Glauberite Mine development and has periodically assessed its resources, financial viability and general condition. The management has conducted regular financial analysis, taking into account its resources, technical parameters and market situation, so as to assess the mining asset's overall situation. The Group has also engaged the services of a qualified independent valuer to assess its fair value annually. Given the Glauberite Mine's distinct advantage in terms of its immense resources, strategic location and market potential, the Group remains highly confident that it is a unique and valuable asset.

On 29 April 2021, one contractor has commenced an arbitration against Guangxi Weiri (the "Arbitration") and applied to the People's Court of Qingxiu District Nanning Municipality for judicial preservation to freeze the assets of Guangxi Weiri up to RMB2,055,087. Accordingly, a land property with carrying value of RMB6.6 million of Guangxi Weiri has been ordered to be detained for a period of three years from 29 April 2021. The Arbitration has entered the judicial process. The Group may need to provide a guarantee in the full sum of RMB2,055,087 as security for the Arbitration in order to release the subjected land property. Hence the Board considered that no impairment on the land property is required. The Arbitration is still under process as at the date of this report.

On 18 May 2021, the Group received a court notice from the Intermediate People's Court of Nanning Municipality (the "Court") that Guangxi Weiri has commenced legal proceedings (the "Court Proceedings") against its holding company, Wise Goal Enterprises Limited (the "Litigation"), and applied to the Court for the equity interest in Guangxi Weiri to be judicially preserved (the "Property Preservation"). The Group considered that the Proceedings and Property Preservation are untrue and misleading and hence has lodged an application to the Court on 24 May 2021 to release the Property Preservation. The Court hearing was held on 18 June 2021 and the Group received the decision of the Court dated 28 June 2021 (the "Decision"), which ordered dismissal of the Court Proceedings. However, on 15 July 2021, an appeal has been lodged against such Decision and up to the date of this report, the Group still not receive any update on the appeal.

In addition to the Litigation, on 3 August 2021, the Group received a notice from the Court dated 27 July 2021. Pursuant to this notice, Mr. Zhou as plaintiff has commenced an action at the Court against Wise Goal Enterprises Limited ("Wise Goal") as the defendant, seeking, among others, for payment by Wise Goal of its non-paid up share capital to Guangxi Weiri ("Zhou's Action") amounting RMB21.7 million. The Board is of the view that Zhou's Action is frivolous or vexatious as it is inconsistent with the Company's understanding of the current arrangement of paying up share capital of Guangxi Weiri by Wise Goal, as agreed among the shareholders of Guangxi Weiri. Hence the Board considered that no impairment on the investment held at Wise Goal is required. In order to defend the Company's interest, the Company has been seeking for legal advice from the PRC legal adviser to actively respond to Zhou's Action. Up to the date of this report, Zhou's Action is still under process.

Management Discussion and Analysis

The Board will closely monitor the cases as mentioned above and evaluate its impact to the Group. As mentioned in previous annual reports, the Board have considered a possibility of taking over an abandoned thenardite processing plant nearby so as to resolve the long-term land issues. However, the Board will weigh the relevant risks involved before any further investment into Guangxi Weiri and carefully assess the current situation in order to minimize any potential risk.

Mineral resources and ore reserves

As at 30 September 2021, the Company, through its wholly-owned subsidiary in the PRC, owns a glauberite mine in Guangxi. The following table sets out the mineral information of the mine as at 30 September 2021:

Wireframe	Classification	Tonnes (‘000)	Na ₂ SO ₄ (%)	Na ₂ SO ₄ (‘000)
North Orebody 1	Indicated	473,000	18.12	86,000
	Inferred	–	–	–
North Orebody 2	Indicated	–	–	–
	Inferred	37,000	18.92	7,000
Central Orebody 1	Indicated	581,000	16.77	98,000
	Inferred	49,000	16.76	8,000
Central Orebody 2	Indicated	43,000	14.99	6,000
	Inferred	–	–	–
East Orebody 1	Indicated	151,000	19.10	29,000
	Inferred	12,000	19.63	2,000
Sub Total	Indicated	1,248,000	17.50	219,000
	Inferred	98,000	17.91	17,000
Total	Indicated + Inferred	1,346,000	17.53	236,000

Management Discussion and Analysis

Metals and minerals trading

The metals and minerals trading industry has remained weak and the profit margins of such business are low, the Group did not conclude any trading contract on metal ores during the period to avoid any possible risk. The Group continues to identify and pursue other types of resources for the trading business and believes that it will be able to seize such opportunities as they arise.

LIQUIDITY AND FINANCIAL RESOURCES

The directors have considered various ways of raising funds and consider that the subscription and placing of shares represents an attractive opportunity to raise capital for the Company while broadening the shareholder base and capital base of the Company. Due to the rapid expansion of the business mentioned above, the Group may continue to seek external financial resources in the future in order to finance its operations. As at 30 September 2021, the net asset value of the Group amounted to approximately HK\$2,145.0 million (31 March 2021: HK\$2,071.5 million). The gearing ratio of the Group was 0.95% (31 March 2021: 0.54%) and the equity attributable to owners of the Company of approximately HK\$2,184.8 million (31 March 2021: HK\$2,107.7 million) as at 30 September 2021.

As at 30 September 2021, the Group's other payables and accruals amounted to HK\$149.0 million, an increase of 5% as compared with HK\$142.0 million as at 31 March 2021. The increase was attributable to approximately 1.6% appreciation of Renminbi against the Hong Kong Dollar and the increase in the construction cost for the manufacturing plant of vehicles in Chongqing. The other payables and accruals mainly represented (i) the government grant in relation to the acquisition of land use right of approximately HK\$65.8 million (31 March 2021: HK\$64.7 million), which will be recognized as a reduction of construction costs in property, plant and equipment after the completion of the construction of the manufacturing plant in Chongqing and the fulfilment of the conditions of the government grant; and (ii) the construction cost incurred for the manufacturing plant in Chongqing of approximately HK\$57.8 million (31 March 2021: HK\$53.1 million), with the construction of main building blocks having been completed in the previous years.

As at 30 September 2021, the Company has (i) outstanding convertible notes in the principal amount of HK\$7.5 million (31 March 2021: HK\$7.5 million) which could be converted into 10,000,000 shares (31 March 2021: 10,000,000 shares) of the Company based on the conversion price of HK\$0.75 per share subject to the conversion restriction set out in the terms of the convertible notes in relation to the compliance with the relevant requirements of the Codes on Takeovers and Mergers and Share Buy-backs and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules" and "Stock Exchange", respectively); (ii) outstanding share options entitling participants to subscribe for a total of 620,600,000 shares (31 March 2021: 615,100,000 shares) of the Company, for which 605,600,000 shares (31 March 2021: 615,100,000 shares) are vested; and (iii) outstanding share award entitling participants to obtain a total of 48,500,000 shares (31 March 2021: 97,000,000) of the Company, which are under vesting conditions.

Management Discussion and Analysis

The operating cash flows of the Group are mainly denominated in HK dollars, Renminbi, US dollars and Euro. Certain bank deposits, receivables and payables of the Group are denominated in Renminbi, US dollars and Euro. As at 30 September 2021, the Group had unpledged cash and bank balances of approximately HK\$25.8 million (31 March 2021: HK\$52.7 million), of which 79.7% (31 March 2021: 83.5%) was denominated in HK dollars, 0.2% (31 March 2021: 0.6%) was denominated in Euro, 11.4% (31 March 2021: 14.6%) was denominated in Renminbi and 6.8% (31 March 2021: 0.1%) was denominated in US dollars.

During the reporting period, the exchange rate of the Renminbi appreciated by approximately 1.6% against the HK dollar. This had a positive impact on the Group's results thanks to the increased value of the Group's assets that are denominated in Renminbi. The Group has not entered into any foreign currency exchange forward contracts for hedging purposes for Renminbi during the period. Foreign exchange exposure in respect of US dollars is considered to be minimal as the exchange rate between HK dollars and US dollars is pegged. Foreign exchange exposure in respect of the Euro is also considered to be minimal in the current period. The Group will closely monitor its currency exposure and, when it considers appropriate, will take the necessary actions to ensure that such exposure is properly hedged.

USE OF PROCEEDS

On 18 March 2021, the Company issued 268,000,000 new shares to a subscriber at a price of HK\$0.145 per subscription share under the general mandate granted to the directors of the Company at the annual general meeting of the Company held on 31 August 2020. The net proceeds from the subscription after deducting all relevant expenses were approximately HK\$38.86 million. The net proceeds have fully utilized as per intended use, as outlined below:

	Actual use of proceeds up to the date of this report HK\$'000 (approximately)
General working capital for the settlement of administrative expenses	19,200
Development of electric vehicle business of the Group	19,660
	<hr/> 38,860 <hr/>

Management Discussion and Analysis

On 24 June 2021, the Company issued 367,660,000 new shares to not less than six independent third parties at a price of HK\$0.15 per share under the general mandate granted to the directors of the Company at the annual general meeting of the Company held on 31 August 2020. The net proceeds from the placing after deducting the commission payable to the placing agent and other related expenses were approximately HK\$46.8 million. The net proceeds have partly been utilized as per intended use, as outlined below:

	Actual use of proceeds up to the date of this report	Remaining proceeds kept in an interest- bearing bank account pending usage
	HK\$'000 (approximately)	HK\$'000 (approximately)
General working capital for the settlement of administrative expenses	15,314	8,273
Development of electric vehicle business of the Group	23,213	–
	<u>38,527</u>	<u>8,273</u>

PROSPECTS

Since early 2020, the impact of COVID-19 spreading across the world resulting in the lockdown measures imposed by various countries which have disrupted global logistics and deteriorated the global economy. Under these unfavorable circumstances, the Group has still managed to obtain new sales orders from various countries. It is expected that the business environment will return to normal in the coming financial year, and in the meantime the Group will, on a best-efforts basis, continue to support its customers and stakeholders through this difficult period.

The Group believes that the new energy sectors are a major trend in improving air pollution and enhancing economic sustainability and are therefore a key focus of global interest. With this in mind, the use of electric vehicles with zero emissions is becoming increasingly widespread worldwide. With the Group's diversification of business into overseas export markets, it is confident that the eBus and EVs business will grow at a fast pace, contributing more to the Group's overall revenue and elevating its business to the next level. The Group is well positioned and confident in its ability to further develop the market and is also capable of expanding and capturing new opportunities as they arise.

Management Discussion and Analysis

The product of the Glauberite Mine is thenardite, which is an important raw material used in the chemical and light industrial manufacturing industries. The Group believes that the Glauberite Mine is a valuable asset and will continue to regularly assess its resources, financial viability and general condition.

CHARGES ON THE GROUP'S ASSETS AND CONTINGENT LIABILITIES

As at 30 September 2021, the Group has pledged a leasehold land and building in Chongqing with an aggregate carrying amount of approximately RMB33.4 million to secure bank borrowings of approximately HK\$7.2 million (31 March 2021: HK\$ nil). Save as disclosed herein, there was no other charge on the Group's assets and the Group did not have any significant contingent liabilities not accounted for as at 30 September 2021 and 31 March 2021.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 September 2021, the Group employed 106 (31 March 2021: 111) full time managerial and skilled staff principally in Hong Kong and the PRC. The Group also engaged some international advisors in Europe to support its growth strategy in the global market. The Group is now working on a cost optimization plan in order to ensure maximum efficiency. During the current period, the total employee expenses have been decreased 3.8% to HK\$15.3 million (30 September 2020: HK\$15.9 million).

The Group remunerates and provides benefits for its employees based on current industry practices. Discretionary bonuses and other individual performance bonuses are awarded to staff based on the financial performance of the Group and performance of individual staff. In the PRC, the Group provides staff welfare for its employees in accordance with prevailing labor legislation. In Hong Kong, the Group provides staff benefits including the mandatory provident fund scheme and medical scheme. In addition, share options and share awards are granted to eligible employees in accordance with the terms of the Company's share option scheme (the "Share Option Scheme") adopted on 30 August 2013 and the Company's share award plan (the "Share Award Plan") adopted on 8 May 2019.

During the period under review, on 7 April 2021, the Company granted 15,000,000 share options under the Share Option Scheme to a participant at the exercise price of HK\$0.142 per share for a period of ten years from the date of the grant.

SHARE OPTION SCHEME

The Company's Share Option Scheme, which was adopted by an ordinary resolution of the shareholders at annual general meeting of the Company on 30 August 2013 (the "Adoption Date"), constitutes a share option scheme governed by Chapter 17 of the Listing Rules and will remain in force for 10 years from the Adoption Date. Pursuant to the Share Option Scheme, the Board is empowered, at its discretion, to invite any participant, including but not limited to any executive directors, non-executive directors and employees of the Company or any of its subsidiaries or associates, to take up options to subscribe for shares in the Company.

On 7 April 2021, the Company granted 15,000,000 share options under the Share Option Scheme to a participant at the exercise price of HK\$0.142 each for a period of ten years from the date of grant. During the period, no ordinary shares were issued in relation to the share options exercised by participants under the Share Option Scheme of the Company. Details of the Share Option Scheme are set out in note 25 to the condensed consolidated interim financial statements.

SHARE AWARD PLAN

The Company adopted the Share Award Plan on 8 May 2019, under which any eligible participants, including but not limited to any directors and employees of the Group, are eligible for participating in the Share Award Plan. The Share Award Plan will remain in force for 10 years from the adoption date. The Share Award Plan is a discretionary scheme of the Company and does not constitute a share option scheme under Chapter 17 of the Listing Rules.

Pursuant to the Share Award Plan, shares will be subscribed or acquired by the independent trustee from the market, at the cost of the Company and be held in trust for the selected participants ("Selected Participants") until they vest. Vested shares will be transferred at no cost to the Selected Participants. The maximum number of shares to be awarded under the Share Award Plan shall not exceed 10% of the total number of issued shares as at 8 May 2019, representing 688,604,680 shares.

On 13 April 2021, the Board resolved to cancel and replace the previous award on 25 October 2019 by granting a new awards of a total of 97,000,000 shares (the "Award Shares") to the Selected Participants. The first 50% of the Awarded Shares, i.e. 48,500,000 shares have been vested on the date of grant and the remaining 50% of the Awarded Shares will be vested on 25 October 2021. Details of the Share Award Plan are set out in note 25 to the condensed consolidated interim financial statements.

Management Discussion and Analysis

DIRECTORS' RIGHTS TO ACQUIRE SHARES

Movements of the outstanding share options to the directors as at 30 September 2021 were as follows:

Name of Director	Date of grant	Exercise Price (HK\$)	Number of share options		
			At 1 April 2021	Granted/ (lapsed)	At 30 September 2021
Mr. Cheung Ngan	10 March 2016	0.30	3,700,000	–	3,700,000
Mr. Miguel Valldecabres Polop	25 February 2021	0.13	80,000,000	–	80,000,000
Ms. Chan Hoi Ying	10 March 2016	0.30	3,700,000	–	3,700,000
Mr. Chan Francis Ping Kuen	10 March 2016	0.30	3,700,000	–	3,700,000
Mr. Hu Guang	10 March 2016	0.30	3,700,000	(3,700,000)	–

No share option was exercised by the directors during the six months ended 30 September 2021.

Save as disclosed above, at no time during the period was the Company or any of its subsidiaries a party to any arrangement to enable the Company's directors, their respective spouse, or children under 18 years of age to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

At 30 September 2021, the interests and short positions of the directors in the shares and underlying shares of the Company or 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 had been notified to the Company and the Stock Exchange pursuant to Divisions 7 & 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") to be notified to the Company and the Stock Exchange were as follows:

Name of Director	Capacity or nature of interest	Number of shares or underlying shares		Approximate percentage of shareholding in the Company or associated company
		Long position	Short position	
Mr. Cheung Ngan	Beneficial owner & interest of controlled corporation	724,324,959 (Note 1)	–	8.04%
	Interest of controlled corporation	1,000 (Note 2)	–	20%
Mr. Miguel Valdecabres Polop	Beneficial owner	80,000,000	–	0.96%
Ms. Chan Hoi Ying	Beneficial owner	3,700,000 (Note 3)	–	0.07%
Mr. Chan Francis Ping Kuen	Beneficial owner	3,700,000 (Note 3)	–	0.05%

Management Discussion and Analysis

Note:

- 1) The 724,324,959 shares include:
 - a. the number of shares of 498,038,559 held by Mr. Cheung Ngan;
 - b. the underlying shares of 3,700,000 from the share options granted, details of which are set out in the section headed "Directors' Rights to Acquire Shares" above; and
 - c. the number of shares of 222,586,400 held by Faith Profit Holding Limited, which was wholly owned by Mr. Cheung Ngan.
- 2) The 1,000 shares represent the indirect interest in Tong Guan La Plata Company Limited ("TGLP"), which is 60% indirectly held by the Company and hence is an associated corporation. The 20% beneficial interest in TGLP is held by Catania Copper (Chile) Limited. Catania Copper (Chile) Limited is 40% held by Great Base Holdings Limited and 60% held by Catania Mining Limited. Catania Mining Limited is 55% held by CM Universal Corporation. Faith Profit Holding Limited held 50% interest in Great Base Holdings Limited. Mr. Cheung Ngan held 100% interest in Faith Profit Holding Limited and 51% interest in CM Universal Corporation.
- 3) Being options to acquire ordinary shares of the Company, and further details of which are set out in the section headed "Directors' Rights to Acquire Shares" above.

Save as disclosed above, as at 30 September 2021, none of the directors of the Company have interest or short positions in the shares and underlying shares or other securities of the Company or 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 & 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required pursuant to the Model Code to be notified to the Company and the Stock Exchange.

DIRECTORS' INTERESTS IN CONTRACTS

No director, whether directly or indirectly, had a material beneficial interest in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the period under review.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 September 2021, the following shareholders had registered an interest or short position in the shares or underlying shares of 5% or more of the issued share capital of the Company in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

Name of substantial shareholder	Capacity or nature of interest	Number of shares or underlying shares		Approximate percentage of shareholding in the Company
		Long position	Short position	
Mr. Cheung Ngan	Beneficial owner & interest of controlled corporation	724,324,959 (Note 1)	–	8.04%
Faith Profit Holding Limited	Beneficial owner	222,586,400 (Note 1)	–	3.25%
Entrust Limited	Beneficial owner	982,727,510 (Note 2)	–	10.91%
Mr. Chan Tok Yu	Interest of controlled corporation	982,727,510 (Note 2)	–	10.91%
Ms. Siu Kwan	Interest of controlled corporation	982,727,510 (Note 2)	–	10.91%

Note:

- 1) The 724,324,959 shares include:
 - a. the number of shares of 498,038,559 held by Mr. Cheung Ngan;
 - b. the underlying shares of 3,700,000 from the share options granted to Mr. Cheung Ngan; and
 - c. the number of shares of 222,586,400 held by Faith Profit Holding Limited, which was wholly owned by Mr. Cheung Ngan. Accordingly, Mr. Cheung Ngan is deemed to be interested in the shares in which Faith Profit Holding Limited is interested by virtue of the SFO.
- 2) Entrust Limited is controlled as to 34% by Mr. Chan Tok Yu, 25% by Ms. Chan Hoi Ying (Executive Director of the Company), 25% by Mr. Chan Hin Yeung and 16% by Ms. Siu Kwan. Mr. Chan Tok Yu's interest is held by Ms. Siu Kwan as a trustee. Accordingly, Mr. Chan Tok Yu and Ms. Siu Kwan are deemed to be interested in the shares in which Entrust Limited is interested by virtue of the SFO.

Management Discussion and Analysis

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the six months ended 30 September 2021.

CORPORATE GOVERNANCE PRACTICE

The Company has adopted the code provisions set out in the Corporate Governance Code (the "Code") as set out in Appendix 14 of the Listing Rules. The Company has applied the principles in the Code and complied with the code provisions during the six months ended 30 September 2021.

After Mr. Hu Guang retired as an independent non-executive director and ceased to be a member of the audit committee of the Company on 20 August 2021, the number of independent non-executive directors and members of the audit committee of the Company fell below the requirements under Rules 3.10(1) and 3.21 of the Listing Rules. Following the appointment of Mr. Lee Kwok Leung on 16 November 2021 as an independent non-executive director and the member of the audit committee of the Company, the Company has complied with Rule 3.10(1) of the Listing Rules in relation to the composition of the Board and Rule 3.21 of the Listing Rules with regard to the composition of the audit committee.

CHANGE IN DIRECTOR'S INFORMATION UNDER RULE 13.51B(1) OF THE LISTING RULES

There is no change in the director's information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules as the code of conduct regarding directors' securities transactions.

Specific enquiry has been made of all the directors of the Company who have confirmed in writing their compliance with the required standards set out in the Model Code during the period under review.

AUDIT COMMITTEE

The audit committee, which comprises three independent non-executive directors of the Company, has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, risk management, internal control and financial reporting matters of the Group. The Committee had reviewed the unaudited interim financial statements for the six months ended 30 September 2021.

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 September 2021

	Notes	For the six months ended	
		2021 (unaudited) HK\$'000	2020 (unaudited) HK\$'000
Revenue	6	29,717	21,454
Cost of sales		(25,639)	(14,480)
Gross profit		4,078	6,974
Other income	6	662	2,391
Selling and distribution expenses		(935)	(744)
Administrative and other expenses		(54,724)	(38,031)
Impairment of trade receivables, net		(286)	(1,104)
Impairment of other receivables and prepayments		(1,068)	–
Change in fair value of financial assets at fair value through profit or loss ("FVTPL")		(2,277)	1,109
Finance costs	7	(494)	(246)
Loss before income tax	8	(55,044)	(29,651)
Income tax credit	9	1,120	412
Loss for the period		(53,924)	(29,239)
Other comprehensive income for the period			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		31,980	105,988
Total comprehensive (loss)/income for the period		(21,944)	76,749

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the six months ended 30 September 2021

	Notes	For the six months ended 30 September	
		2021 (unaudited) HK\$'000	2020 (unaudited) HK\$'000
Loss attributable to:			
– Owners of the Company		(49,608)	(27,718)
– Non-controlling interests		(4,316)	(1,521)
		(53,924)	(29,239)
Total comprehensive (loss)/income attributable to:			
– Owners of the Company		(17,881)	79,705
– Non-controlling interests		(4,063)	(2,956)
		(21,944)	76,749
Loss per share			
– Basic and diluted (HK\$)	11	(0.0058)	(0.004)

Condensed Consolidated Statement of Financial Position

As at 30 September 2021

	Notes	30 September 2021 (unaudited) HK\$'000	31 March 2021 (audited) HK\$'000
Non-current assets			
Property, plant and equipment	12	46,353	47,345
Construction in progress	13	75,511	74,268
Right-of-use assets	14	94,403	91,394
Mining assets	15	1,856,835	1,826,229
Other intangible assets		13,386	18,316
Other receivables, deposits and prepayments	19	12,757	12,925
Total non-current assets		2,099,245	2,070,477
Current assets			
Inventories	17	29,943	29,216
Trade receivables	18	31,438	7,534
Contract assets		10,808	10,630
Other receivables, deposits and prepayments	19	66,025	56,693
Financial assets at FVTPL	16	78,800	16,278
Cash and bank balances		25,785	52,697
Total current assets		242,799	173,048
Total assets		2,342,044	2,243,525

Condensed Consolidated Statement of Financial Position

As at 30 September 2021

		30 September 2021 (unaudited) HK\$'000	31 March 2021 (audited) HK\$'000
	Notes		
Current liabilities			
Accounts payable	20	13,401	8,637
Other payables and accruals	21	83,176	77,314
Contract liabilities		6,476	1,789
Lease liabilities		5,956	3,753
Bank borrowings	22	723	–
Total current liabilities		109,732	91,493
Net current assets		133,067	81,555
Total assets less current liabilities		2,232,312	2,152,032
Non-current liabilities			
Deferred tax liabilities		7,371	8,352
Other payables	21	65,778	64,694
Lease liabilities		7,668	7,534
Bank borrowings	22	6,511	–
Total non-current liabilities		87,328	80,580
Total liabilities		197,060	172,073
NET ASSETS		2,144,984	2,071,452
Equity			
Share capital	24	90,096	82,902
Reserves		2,094,664	2,024,830
Equity attributable to owners of the Company		2,184,760	2,107,732
Non-controlling interests		(39,776)	(36,280)
TOTAL EQUITY		2,144,984	2,071,452

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 September 2021

	Attributable to owners of the Company										Total equity HK\$'000		
	Share capital HK\$'000	Share premium HK\$'000	Share contributed surplus HK\$'000	Convertible notes equity reserve HK\$'000	Share options reserve HK\$'000	Share award reserve HK\$'000	Foreign currency transition reserve HK\$'000	Capital reserve HK\$'000	Treasury reserve HK\$'000	Accumulated losses HK\$'000		Total HK\$'000	Non-controlling interests HK\$'000
At 1 April 2021 (audited)	82,902	3,884,575	20,566	6,625	87,475	8,229	(221,262)	687	-	(1,762,065)	2,107,732	(36,280)	2,071,452
Loss for the period	-	-	-	-	-	-	-	-	-	(49,608)	(49,608)	(4,316)	(53,924)
Other comprehensive income	-	-	-	-	-	31,727	-	-	-	-	31,727	253	31,980
Total comprehensive loss	-	-	-	-	-	-	31,727	-	-	(49,608)	(17,881)	(4,063)	(21,944)
Placing of shares	3,677	43,104	-	-	-	-	-	-	-	-	46,781	567	46,781
Dissolution of subsidiaries	-	-	-	-	-	-	-	-	-	(567)	(567)	-	-
Issue of consideration shares for the acquisition of unlisted equity investments outside Hong Kong	2,547,970	43,301,409	-	-	-	-	(4,894)	-	-	-	45,848	-	45,848
Issue of shares from share award plan	-	4,409	-	-	-	-	(4,894)	-	-	-	485	-	485
Share-based payments	-	-	-	-	1,195	-	1,167	-	-	-	2,362	-	2,362
Forfeited share options	-	-	-	-	(1,283)	-	-	-	-	1,283	-	-	-
At 30 September 2021 (unaudited)	90,096	3,975,389	20,566	6,625	87,387	4,502	(189,535)	687	-	(1,810,957)	2,184,760	(39,776)	2,144,984
At 1 April 2020 (audited)	68,549	3,086,766	20,566	779,933	73,593	3,381	(413,918)	687	(6)	(985,590)	2,634,161	(26,446)	2,607,715
Loss for the period	-	-	-	-	-	-	-	-	-	(27,718)	(27,718)	(1,521)	(29,239)
Other comprehensive income	-	-	-	-	-	-	107,423	-	-	-	107,423	(1,435)	105,988
Total comprehensive income	-	-	-	-	-	-	107,423	-	-	(27,718)	79,705	(2,956)	76,749
Cancellation of repurchased shares	(1)	(5)	-	-	-	-	-	-	6	-	-	-	-
Share-based payments	-	-	-	-	31	-	3,141	-	-	-	3,172	-	3,172
Forfeited share options	-	-	-	-	(4,050)	-	-	-	-	4,050	-	-	-
At 30 September 2020 (unaudited)	68,548	3,086,761	20,566	779,933	69,574	6,722	(306,495)	687	-	(1,009,258)	2,717,038	(29,402)	2,687,636

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 September 2021

	Notes	For the six months ended	
		2021 (unaudited) HK\$'000	2020 (unaudited) HK\$'000
OPERATING ACTIVITIES			
Loss before income tax		(55,044)	(29,651)
Adjustments for:			
Interest income	6	(7)	(56)
Finance costs	7	494	246
Depreciation of property, plant and equipment	12	3,378	3,679
Depreciation of right-of-use assets	8	3,365	4,027
Amortisation of other intangible assets		5,237	2,451
Share-based payments		2,362	3,172
Change in fair value of financial assets at FVTPL		2,277	(1,109)
Loss on disposal of property, plant and equipment		–	2
Impairment of trade receivables, net	8	286	1,104
Impairment of other receivables and prepayments	8	1,068	–
Exchange loss/(gain), net		18	(1,638)

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 September 2021

	Notes	For the six months ended	
		2021	2020
		(unaudited)	(unaudited)
		HK\$'000	HK\$'000
Operating cash flows before movements in working capital		(36,566)	(17,773)
Increase in trade receivables		(24,141)	(7,665)
(Increase)/decrease in other receivables, deposits and prepayments		(9,197)	4,220
Increase in inventories		(269)	(2,041)
Increase in accounts payable		4,620	2,244
Increase/(decrease) in other payables and accruals		4,677	(1,301)
Increase/(decrease) in contract liabilities		4,682	(3,560)
NET CASH USED IN OPERATING ACTIVITIES		(56,194)	(25,876)
INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		(1,623)	(1,481)
Proceeds from disposal of property, plant and equipment		–	6
Purchases of financial assets at FVTPL		(19,055)	–
Interest received		7	56
NET CASH USED IN INVESTING ACTIVITIES		(20,671)	(1,419)

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 September 2021

	Notes	For the six months ended	
		30 September 2021 (unaudited) HK\$'000	2020 (unaudited) HK\$'000
FINANCING ACTIVITIES			
Proceeds from placing of shares, net		46,781	–
Interest paid on bank borrowings		(137)	–
Interest paid on lease liabilities		(357)	(246)
Repayment of principal portion of lease liabilities		(2,361)	(3,629)
Proceeds from bank borrowings		7,233	–
NET CASH GENERATED FROM/(USED IN) FINANCING ACTIVITIES		51,159	(3,875)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(25,706)	(31,170)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		52,697	71,673
EFFECT OF FOREIGN EXCHANGE RATE CHANGES		(1,206)	2,365
CASH AND CASH EQUIVALENTS AT END OF PERIOD		25,785	42,868
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances		25,785	42,868

Notes to Condensed Consolidated Interim Financial Statements

1. CORPORATE INFORMATION

The Company was incorporated in Bermuda with limited liability and its shares are listed on the Stock Exchange. The Company's registered office is located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. Its head office and principal place of business are located at 46th Floor, China Online Centre, 333 Lockhart Road, Wanchai, Hong Kong.

The principal activity of the Company is investment holding. The Group is principally engaged in new energy business and mining.

On 28 May 2021, a special general meeting of the Company was held and a resolution was passed to change the Company's name from China Dynamics (Holdings) Limited (中國動力(控股)有限公司 in Chinese) to Ev Dynamics (Holdings) Limited (科軒動力(控股)有限公司 in Chinese).

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The unaudited condensed consolidated interim financial statements have been prepared in accordance with the Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the applicable disclosure requirements set out in Appendix 16 of the Listing Rules.

The basis of preparation, the accounting policies and the methods of computation adopted in these interim financial statements are consistent with those adopted by the Group in its annual financial statements for the year ended 31 March 2021, except as stated in note 3 below following the adoption of the new and revised Hong Kong Financial Reporting Standards in the reporting period. The interim financial statements should be read in conjunction with the annual financial statements.

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

In the current interim period, the Group has applied the following new and revised standards, amendments and interpretations issued by the HKICPA, which are relevant to its operations and effective for its accounting period beginning on 1 April 2021.

Amendments to HKFRS 16	COVID-19-Related Rent Concessions beyond 30 June 2021
Amendments to HKAS 39, HKFRS 4, HKFRS 7, HKFRS 9 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2

Amendments to HKFRS 16 – COVID-19-Related Rent Concessions beyond 30 June 2021

The amendments modify one of the criteria that must be met in order for the practical expedient to be applied. They extend the time limit over which lease payments originally due may be reduced from 30 June 2021 to 30 June 2022.

The application of the amendments in the current period had no material impact on the unaudited condensed consolidated interim financial statements.

Amendments to HKAS 39, HKFRS 4, HKFRS 7, HKFRS 9 and HKFRS 16 – Interest Rate Benchmark Reform – Phase 2

The amendments address issues that might affect financial reporting when a group replaces the old interest rate benchmark with an alternative benchmark rate as a result of the interest rate benchmark reform (the “Reform”). The amendments complement those issued in November 2019 and relate to (a) changes to contractual cash flows in which an entity will not have to derecognise or adjust the carrying amount of financial instruments for changes required by the Reform, but will instead update the effective interest rate to reflect the change to the alternative benchmark rate; (b) hedge accounting in which an entity will not have to discontinue its hedge accounting solely because it makes changes required by the Reform, if the hedge meets other hedge accounting criteria; and (c) disclosures in which an entity will be required to disclose information about new risks arising from the Reform and how it manages the transition to alternative benchmark rates.

The application of the amendments in the current period had no impact on the unaudited condensed consolidated interim financial statements.

4. USE OF JUDGEMENTS AND ESTIMATES

In preparing this condensed consolidated interim financial statements, the significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to 2021 annual financial statements.

5. SEGMENT REPORTING

The Group determines its operating segments based on the reports reviewed by the chief operating decision-maker that are used to make strategic decisions.

The Group has the following three reportable segments. The segments are managed separately as each business offers different products and services and requires different business strategies.

- Development of electric vehicles;
- Mining; and
- Metal and minerals trading.

Inter-segment transactions are priced with reference to prices charged to external parties for similar orders. Central revenue and expenses are not allocated to the operating segments as they are not included in the measurement of the segments' results that is used by the chief operating decision-maker for assessment of segment performance.

5. SEGMENT REPORTING (CONTINUED)

(a) Reportable segments

	Development of electric vehicles		Mining		Metal and minerals trading		Total	
	For the six months ended 30 September		For the six months ended 30 September		For the six months ended 30 September		For the six months ended 30 September	
	2021 (unaudited) HK\$'000	2020 (unaudited) HK\$'000	2021 (unaudited) HK\$'000	2020 (unaudited) HK\$'000	2021 (unaudited) HK\$'000	2020 (unaudited) HK\$'000	2021 (unaudited) HK\$'000	2020 (unaudited) HK\$'000
Revenue from external customers	29,717	21,454	-	-	-	-	29,717	21,454
Reportable segment loss	(27,383)	(12,816)	(1,708)	(2,067)	(198)	(267)	(29,289)	(15,150)
Interest income	7	6	-	-	-	-	7	6
Unallocated interest income							-	50
Total interest income							7	56
Depreciation	(4,818)	(4,780)	(266)	(292)	-	-	(5,084)	(5,072)
Unallocated depreciation expense							(1,659)	(2,634)
Total depreciation							(6,743)	(7,706)
Amortisation	(5,237)	(2,451)	-	-	-	-	(5,237)	(2,451)

Reconciliation of segment revenue and profit or loss

	For the six months ended 30 September	
	2021 (unaudited) HK\$'000	2020 (unaudited) HK\$'000
Revenue		
Reportable segment revenue and consolidated revenue	29,717	21,454
Loss before income tax		
Reportable segment loss	(29,289)	(15,150)
Unallocated other income	92	1,752
Change in fair value of financial assets at FVTPL	(2,277)	1,109
Unallocated share-based payments	(2,362)	(3,139)
Unallocated other corporate expenses	(20,714)	(13,977)
Finance costs	(494)	(246)
Consolidated loss before income tax	(55,044)	(29,651)

Notes to Condensed Consolidated Interim Financial Statements

5. SEGMENT REPORTING (CONTINUED)

(a) Reportable segments (Continued)

	Development of electric vehicles		Mining		Metal and minerals trading		Total	
	As at		As at		As at		As at	
	30 September 2021 (unaudited) HK\$'000	31 March 2021 (audited) HK\$'000						
Reportable segment assets	326,093	295,388	1,895,577	1,863,519	11,909	11,918	2,233,579	2,170,825
Additions to non-current assets	1,588	1,526	-	-	-	-	1,588	1,526
Unallocated assets							35	931
Total additions to non-current assets							1,623	2,457
Reportable segment liabilities	(187,147)	(160,221)	(4,064)	(2,989)	(29)	(130)	(191,240)	(163,340)

Reconciliation of segment assets and liabilities

	As at	
	30 September 2021 (unaudited) HK\$'000	31 March 2021 (audited) HK\$'000
Assets		
Reportable segment assets	2,233,579	2,170,825
Unallocated corporate assets (note)	108,465	72,700
Consolidated total assets	2,342,044	2,243,525
Liabilities		
Reportable segment liabilities	191,240	163,340
Unallocated corporate liabilities	5,820	8,733
Consolidated total liabilities	197,060	172,073

Note: Unallocated corporate assets as at 30 September 2021 mainly represent cash and bank balances of HK\$17,366,000 (31 March 2021: HK\$41,130,000) and financial assets at FVTPL of HK\$78,800,000 (31 March 2021: HK\$16,278,000) held by the Company.

Notes to Condensed Consolidated Interim Financial Statements

5. SEGMENT REPORTING (CONTINUED)

(b) Geographic information

The following is an analysis of the Group's revenue from external customers and non-current assets other than financial instruments, deferred tax assets and post-employment benefit assets ("Specified non-current assets") by the geographical areas in which the customers and assets respectively are located:

	Revenue from external customers		Specified non-current assets	
	For the six months ended		As at	
	30 September		30 September	31 March
	2021	2020	2021	2021
	(unaudited)	(unaudited)	(unaudited)	(audited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
PRC, including Hong Kong	–	16,332	2,097,848	2,070,143
Japan	–	–	1,397	334
Philippines	24,023	5,122	–	–
Spain	4,266	–	–	–
Mexico	1,428	–	–	–
	29,717	21,454	2,099,245	2,070,477

(c) Information about major customers

Revenue from customers contributing over 10% of the total revenue of the Group is as follows:

	For the six months ended	
	30 September	
	2021	2020
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
Customer A	29,717	8,579
Customer B	–	7,400
Customer C	–	5,122
	29,717	21,101

6. REVENUE AND OTHER INCOME

Revenue from contracts with customers within the scope of HKFRS 15

(a) Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods at a point in time in the following major product lines:

	For the six months ended	
	30 September	
	2021	2020
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
Sale of electric vehicles	29,717	21,454

Note: Disaggregation of revenue from contracts with customers by geographic markets is disclosed in note 5(b).

(b) Assets and liabilities related to contracts with customers

The following table provides information about contract assets and contract liabilities from contracts with customers:

	As at	
	30 September	31 March
	2021	2021
	(unaudited)	(audited)
	HK\$'000	HK\$'000
Contract assets	10,808	10,630
Contract liabilities	6,476	1,789

6. REVENUE AND OTHER INCOME (CONTINUED)**Revenue from contracts with customers within the scope of HKFRS 15 (Continued)***(b) Assets and liabilities related to contracts with customers (Continued)*

The contract assets primarily relate to certain portion of the sales of electric vehicles of the Group in the previous year that will be settled by the PRC government by the way of national subsidies in accordance with the Circular on Financial Support Policies for the Promotion and Application of New Energy Vehicles 2016-2020 (Cai Jian [2015] 134) and other relevant and applicable government's notices and policies promulgated by the PRC government, and the sales contracts made between the Group and these customers.

The contract liabilities mainly relate to the advance consideration received from customers. HK\$705,000 of the contract liabilities as of 31 March 2021 has been recognised as revenue for the period ended 30 September 2021.

	For the six months ended	
	30 September	
	2021	2020
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
Other income		
Interest income	7	56
Exchange gain, net	–	1,638
Sundry income	655	697
	662	2,391

Notes to Condensed Consolidated Interim Financial Statements

7. FINANCE COSTS

	For the six months ended 30 September	
	2021 (unaudited) HK\$'000	2020 (unaudited) HK\$'000
Interest on bank borrowings	137	–
Interest on lease liabilities	357	246
	494	246

8. LOSS BEFORE INCOME TAX

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

	For the six months ended 30 September	
	2021 (unaudited) HK\$'000	2020 (unaudited) HK\$'000
Auditor's remuneration		
– Interim	60	60
– Other transactions	1,051	–
Amortisation of other intangible assets	5,237	2,451
Cost of inventories recognised as expenses	25,639	14,480
Depreciation of property, plant and equipment	3,378	3,679
Depreciation of right-of-use assets	3,365	4,027
Exchange loss/(gain), net	18	(1,638)
Impairment of trade receivables, net	286	1,104
Impairment of other receivables and prepayments	1,068	–
Short-term and low-value lease expense	1,102	1,702
Research and development cost	4,032	638
Loss on disposal of property, plant and equipment	–	2
Employee costs (including directors' remuneration)		
– Salaries and allowances	11,644	11,246
– Share-based payments (note 25)	2,362	3,172
– Other benefits	452	831
– Pension contributions	820	654
	15,278	15,903

Notes to Condensed Consolidated Interim Financial Statements

9. INCOME TAX CREDIT

	For the six months ended	
	30 September	
	2021	2020
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
Deferred tax	(1,120)	(412)
Income tax credit	(1,120)	(412)

No Hong Kong profits tax has been provided as the Group had no assessable profits arising in Hong Kong during the current and prior periods.

Overseas taxes on assessable profits of the group companies, if any, are calculated at the rates of tax prevailing in the respective jurisdictions in which they operate, based on the prevailing legislation, interpretations and practices in respect thereof.

No deferred tax asset has been recognised in respect of the unused tax losses due to the unpredictability of future profit streams.

10. DIVIDEND

The directors do not recommend the payment or declaration of any interim dividend for the six months ended 30 September 2021 (30 September 2020: HK\$ nil).

Notes to Condensed Consolidated Interim Financial Statements

11. LOSS PER SHARE

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

	For the six months ended 30 September	
	2021 (unaudited) HK\$'000	2020 (unaudited) HK\$'000
Loss for the period attributable to owners of the Company	(49,608)	(27,718)
	Number	Number
Weighted average number of ordinary shares in issue	8,611,472,027	6,854,907,353

Basic and diluted loss per share is HK\$0.0058 per share (30 September 2020: HK\$0.004 per share) based on the loss for the period of HK\$49,608,000 (30 September 2020: HK\$27,718,000) and the weighted average number of ordinary shares in issue detailed above. The basic and diluted loss per share for both periods presented are the same as the potential ordinary shares issuable under the convertible notes, the share option scheme and share award plan are anti-dilutive.

12. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 September 2021, the Group acquired property, plant and equipment in an aggregate amount of approximately HK\$1,623,000 (30 September 2020: HK\$1,481,000). Depreciation for items of property, plant and equipment was approximately HK\$3,378,000 (30 September 2020: HK\$3,679,000) during the period. Gain on exchange realignment arising on translation of the carrying amount of the property, plant and equipment amounted to approximately HK\$763,000 (30 September 2020: HK\$1,874,000) during the period.

13. CONSTRUCTION IN PROGRESS

Construction in progress mainly represents:

- (a) the mining assets in the PRC on the preliminary construction costs incurred for the development of road access to the factory buildings; and
- (b) the manufacturing plant in the PRC on the preliminary construction costs incurred for the second manufacturing plant of vehicle in Chongqing.

During the six months ended 30 September 2021, no expenditure was recognised as construction in progress (30 September 2020: HK\$ nil). Gain on exchange realignment arising on translation of construction in progress amounted to approximately HK\$1,243,000 (30 September 2020: HK\$2,855,000) during the period.

14. RIGHT-OF-USE ASSETS

Right-of-use assets mainly represents:

(a) Ownership interests in leasehold land and buildings held for own use

The Group holds several industrial land and buildings for its business, where its manufacturing facilities are primarily located. The Group is the registered owner of these property interests, including the whole or part of undivided share in the underlying land. Lump sum payments were made upfront to acquire these property interests from their previous registered owners, and there are no ongoing payments to be made under the term of land lease, other than payments based on rateable values set by the relevant government authorities. These payments vary from time to time and are payable to the relevant government authorities.

During the period, the Group has pledged a leasehold land and building in Chongqing with aggregate carrying amount as at 30 September 2021 of approximately RMB33.38 million to secure banking borrowings granted to the Group as set out in note 22.

Also, a leasehold land in Guangxi with carrying amount as at 30 September 2021 of approximately RMB6.6 million was frozen and has been ordered to be detained for a period of three years from 29 April 2021.

Notes to Condensed Consolidated Interim Financial Statements

14. RIGHT-OF-USE ASSETS (CONTINUED)

(b) Other properties leased for own use

The Group has obtained the right to use other properties as its office premises and factory plant through tenancy agreements. The leases typically run for an initial period of one to five years.

15. MINING ASSETS

Mining assets have not been amortised since acquisition as the mine has not yet commenced operation since then. The mining project is ongoing and is pending for the issuance of land use right certificate for the construction of processing factory. The mining operation will be commenced upon the completion of such development. Gain on exchange realignment arising on translation of the carrying amount of the mining assets amounted to approximately HK\$30,606,000 (30 September 2020: HK\$97,672,000) during the period.

16. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at	
	30 September 2021 (unaudited) HK\$'000	31 March 2021 (audited) HK\$'000
Financial assets at FVTPL comprise:		
– Unlisted equity investments outside Hong Kong in Croatia (note (a))	13,897	16,278
– Unlisted equity investments outside Hong Kong in Germany (note (b))	64,903	–
	<u>78,800</u>	<u>16,278</u>

16. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

Financial assets at FVTPL mainly represents:

- (a) The Company held 5.68% equity interest in Greyp Bikes d.o.o. (“Greyp”), a company incorporated in the Republic of Croatia with limited liability. Greyp is principally engaged in research, designing, developing, manufacturing, marketing and selling of electric bike, bike sensor, bicycle parts and accessories. The fair value of Greyp was determined based on level 3 of fair value hierarchy. There was no change in valuation technique for the fair value assessment during the current period.
- (b) During the period, the Company acquired 14.43% in aggregate equity interest in Quantron, a company incorporated in Germany with limited liability. Quantron is principally engaged in e-mobility in inner-city and regional passenger and freight transport. The fair value of Quantron was determined based on level 3 of fair value hierarchy.

17. INVENTORIES

	30 September 2021 (unaudited) HK\$'000	As at 31 March 2021 (audited) HK\$'000
Raw materials	6,214	6,009
Work in progress	15,885	17,337
Finished goods	7,844	5,870
	29,943	29,216

Notes to Condensed Consolidated Interim Financial Statements

18. TRADE RECEIVABLES

	As at	
	30 September 2021 (unaudited) HK\$'000	31 March 2021 (audited) HK\$'000
Trade receivables at amortised cost	44,904	20,497
Less: Accumulated impairment losses	(13,466)	(12,963)
	31,438	7,534

The ageing analysis of trade receivables at the end of the reporting period, based on the invoice date, was as follows:

	As at	
	30 September 2021 (unaudited) HK\$'000	31 March 2021 (audited) HK\$'000
0 – 30 days	22,177	1,137
31 – 90 days	3,228	–
91 – 180 days	141	386
181 – 365 days	1,082	2,764
More than 1 year	4,810	3,247
	31,438	7,534

The average credit period on sales of electric vehicles is 30-365 days from the invoice date.

18. TRADE RECEIVABLES (CONTINUED)

The Group applies provision matrix to measure the expected credit loss (“ECL”) prescribed by HKFRS 9. As there is no default event occurred during the period, there is no change in historical default rate and same ECL rates at 31 March 2021 were applied as at 30 September 2021. The weighted-average ECL rates ranging from 4% to 100% were applied to trade receivables and contract assets. The ageing analysis of trade receivables at the end of the reporting period in net carrying amount was as follows:

	30 September 2021 (unaudited) HK\$'000	As at 31 March 2021 (audited) HK\$'000
Collective assessment:		
Not yet past due	–	419
Less than 1 month past due	–	23
1 to 3 months past due	–	550
More than 3 months but less than 12 months past due	572	800
	572	1,792
Individual assessment:		
Not yet past due	29,704	4,599
More than 12 months past due	1,162	1,143
	30,866	5,742
	31,438	7,534

Notes to Condensed Consolidated Interim Financial Statements

18. TRADE RECEIVABLES (CONTINUED)

Movement in loss allowance account in respect of trade receivables during the period is as follows:

	As at	
	30 September 2021 (unaudited) HK\$'000	31 March 2021 (audited) HK\$'000
At beginning of the period/year	12,963	7,725
Impairment losses recognised, net	286	4,434
Exchange realignment	217	804
At end of the period/year	13,466	12,963

19. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	As at	
	30 September 2021 (unaudited) HK\$'000	31 March 2021 (audited) HK\$'000
Other receivables	31,253	30,064
Deposits	4,463	5,014
Prepayments	43,066	34,540
	78,782	69,618
Less: Non-current portion	(12,757)	(12,925)
	66,025	56,693

Notes to Condensed Consolidated Interim Financial Statements

20. ACCOUNTS PAYABLE

The ageing analysis of accounts payable at the end of the reporting period, based on the invoice date, was as follows:

	As at	
	30 September 2021 (unaudited) HK\$'000	31 March 2021 (audited) HK\$'000
0 – 30 days	5,437	–
31 – 90 days	–	48
91 – 180 days	6	550
181 – 365 days	672	322
More than 1 year	7,286	7,717
	13,401	8,637

The credit period from the Group's trade creditors ranged from 30 days to 180 days.

21. OTHER PAYABLES AND ACCRUALS

	As at	
	30 September 2021 (unaudited) HK\$'000	31 March 2021 (audited) HK\$'000
Other payables and accruals	148,954	142,008
Less: Non-current portion of other payables	(65,778)	(64,694)
	83,176	77,314

The non-current portion represented the government grant in relation to the construction of second manufacturing plant in the PRC. It will be recognised as reduction of construction cost in property, plant and equipment after the completion of the construction of manufacturing plant and the fulfilment of all the conditions attached to the government grant.

Notes to Condensed Consolidated Interim Financial Statements

22. BANK BORROWINGS

	As at	
	30 September	31 March
	2021	2021
	(unaudited)	(audited)
	HK\$'000	HK\$'000
Secured bank borrowings repayable within three years	7,234	–
Less: Non-current portion of bank borrowings	(6,511)	–
	723	–

The average effective interest rates of the bank borrowings was 5% per annum.

The bank borrowings of the Group were secured by a leasehold land and building as set out in note 14(a), corporate guarantee provided by a wholly owned subsidiary, Chongqing Sinocop New Energy Vehicle Technology Company Limited, and personal guarantee provided by a non-controlling equity owner of the Company's non-wholly owned subsidiary, Chongqing Suitong New Energy Automotive Manufacturing Co., Ltd.

The Group's bank borrowings were denominated in the functional currency of the relevant group entity and were therefore exposed to minimal foreign exchange rate risk.

23. CONVERTIBLE NOTES

On 28 February 2014, the Company issued zero-coupon convertible notes (the "Convertible Notes") at a principal amount of HK\$2,910,000,000 as part of the consideration of the acquisition of a group of companies holding mining license. The Convertible Notes have a maturity period of ten years from the date of issue and can be converted into ordinary shares of the Company at HK\$0.75 per share at the option of the holders of the Convertible Notes subject to the conversion restriction set out in the terms of the Convertible Notes in relation to the compliance with the relevant requirements of the Hong Kong Code on Takeovers and Mergers and the Listing Rules. The Company shall have the right to redeem the entire or part of the principal amount of the Convertible Notes before the maturity date but not the holder of the Convertible Notes.

During the period, no Convertible Notes were converted into ordinary shares (30 September 2020: nil) of the Company.

Notes to Condensed Consolidated Interim Financial Statements

24. SHARE CAPITAL

	30 September 2021		As at	
	(unaudited) Number of shares	(unaudited) HK\$'000	31 March 2021 (audited) Number of shares	(audited) HK\$'000
<i>Authorised:</i>				
Ordinary shares of HK\$0.01 each	50,000,000,000	500,000	50,000,000,000	500,000
<i>Issued and fully paid:</i>				
At beginning of period/year	8,290,306,800	82,902	6,854,963,200	68,549
Placing of shares (note (i))	367,660,000	3,677	–	–
Issue of consideration shares for the acquisition of unlisted equity investments outside Hong Kong (note (ii))	254,712,175	2,547	–	–
Issue of shares from share award plan (note (iii))	97,000,000	970	–	–
Subscription of shares (note (i))	–	–	268,000,000	2,680
Conversion of Convertible Notes (note (iv))	–	–	1,167,413,600	11,674
Cancellation of repurchased shares	–	–	(70,000)	(1)
At end of the period/year	9,009,678,975	90,096	8,290,306,800	82,902

24. SHARE CAPITAL (CONTINUED)

Note:

- (i) On 24 June 2021, 367,660,000 ordinary shares (31 March 2021: 268,000,000 ordinary shares) of the Company were issued at a placing price of HK\$0.15 each (31 March 2021: HK\$0.145) to independent third parties at an aggregate consideration of HK\$55,149,000 (31 March 2021: HK\$38,860,000) of which HK\$3,677,000 (31 March 2021: HK\$2,680,000) was credited to share capital and the remaining balance (net of share issue expenses) of HK\$43,104,000 (31 March 2021: HK\$36,180,000) was credited to share premium account.
- (ii) On 13 August 2021, 254,712,175 ordinary shares of the Company were issued at the issue price of HK\$0.18 as the consideration share to Quantron in Germany.
- (iii) During the period ended 30 September 2021, share award of 97,000,000 ordinary shares were granted to the Selected Participants. The first 50% of the Award Shares have been vested during the period and the remaining 50% of the Award Shares will be vested on 25 October 2021. An amount of HK\$4,409,000 was transferred from the share award reserve to the share premium account following the vesting of share award. The unvested shares were held by an independent trustee and will be transferred to the Selected Participants upon fulfillment of the vesting conditions.
- (iv) During the year ended 31 March 2021, the Company's Convertible Notes in principal amount of HK\$875,560,200 were converted into 1,167,413,600 ordinary shares of the Company at the conversion price of HK\$0.75 per share, of which approximately HK\$11,674,000 was credited to share capital and the remaining balance of approximately HK\$761,634,000 was credited to share premium account.

25. SHARE-BASED PAYMENT TRANSACTIONS

Share option scheme

The Share Option Scheme was adopted by an ordinary resolution of the shareholders at annual general meeting of the Company on 30 August 2013, constitutes a share option scheme governed by Chapter 17 of the Listing Rules and will remain in force for 10 years from the Adoption Date.

Pursuant to the Share Option Scheme, the Board is empowered, at its discretion, to invite any participant (defined in the Share Option Scheme) to take up options to subscribe for shares in the Company.

25. SHARE-BASED PAYMENT TRANSACTIONS (CONTINUED)

Share option scheme (Continued)

The movements in the number of share options during the six months ended 30 September 2021 were as follows:

Date of offer of grant	At 1 April 2021	Grant/ (forfeited) during the period	At 30 September 2021	Exercise price	Closing price at date of offer of grant	Exercise period	Vesting period
11/04/2014	49,000,000	–	49,000,000	HK\$1.15	HK\$1.11	12/04/2016 to 10/04/2024	12/04/2016 to 12/04/2020
10/03/2016	288,100,000	(9,500,000)	278,600,000	HK\$0.30	HK\$0.28	10/03/2016 to 09/03/2026	10/03/2016 to 11/03/2020
25/02/2021	278,000,000	–	278,000,000	HK\$0.13	HK\$0.12	25/02/2021 to 24/02/2031	N/A
07/04/2021	–	15,000,000	15,000,000	HK\$0.142	HK\$0.142	07/04/2022 to 06/04/2031	07/04/2021 to 06/04/2022
	615,100,000	5,500,000	620,600,000				

The movements in the number of share options during the six months ended 30 September 2020 were as follows:

Date of offer of grant	At 1 April 2020	Forfeited during the period	At 30 September 2020	Exercise price	Closing price at date of offer of grant	Exercise period	Vesting period
11/04/2014	49,000,000	–	49,000,000	HK\$1.15	HK\$1.11	12/04/2016 to 10/04/2024	12/04/2016 to 12/04/2020
10/03/2016	318,100,000	(30,000,000)	288,100,000	HK\$0.30	HK\$0.28	10/03/2016 to 09/03/2026	10/03/2016 to 11/03/2020
	367,100,000	(30,000,000)	337,100,000				

25. SHARE-BASED PAYMENT TRANSACTIONS (CONTINUED)

Share option scheme (Continued)

On 7 April 2021, 15,000,000 share options (30 September 2020: nil) under the Share Option Scheme were granted to a grantee with both exercise price and closing price at date of grant at HK\$0.142 per share. The grantee is not a director, chief executive or substantial shareholders or any of their associates as defined in the Listing Rules.

The weighted average remaining contractual life of options outstanding at the end of the period was 6.57 years (30 September 2020: 5.23 years). The weighted average exercise price of options outstanding at the end of the period was HK\$0.29 (30 September 2020: HK\$0.41).

Of the total number of options outstanding at the end of the period, 605,600,000 (30 September 2020: 337,100,000) were exercisable at the end of the period.

There was no exercise of share options during the six months ended 30 September 2021 and 2020.

The fair value of services received in return for share options granted is measured by reference to the fair value of share options granted. The estimate of the fair value of the share options granted under the Share Option Scheme is measured based on Binomial method. The contractual life of the share options and expectations of early exercise of the share options are incorporated into the model.

The equity-settled share-based payment expenses of approximately HK\$1,195,000 (30 September 2020: HK\$31,000) was recognised during the period.

Share award plan

On 8 May 2019, the Share Award Plan was adopted by the Company for the purpose of providing incentives and aligning the interests of the selected employees with that of shareholders. On 25 October 2019, award shares were granted to the eligible participants.

The Company has used the market approach to assess the fair value of the award shares. For the period ended 30 September 2021, the Group recognised a total expense of HK\$1,167,000 (30 September 2020: HK\$3,141,000) in relation to such award shares.

Notes to Condensed Consolidated Interim Financial Statements

26. RELATED PARTY TRANSACTIONS

- (a) The Group had no significant transactions with related parties during the six months ended 30 September 2021 and 2020.
- (b) The remuneration of key management during the period which only comprised executive directors' remuneration was as follows:

	For the six months ended	
	30 September	
	2021	2020
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
Basic salaries, housing benefits, other allowances and benefits in kind	2,118	2,118
Pension contributions	18	18
	2,136	2,136

27. CAPITAL COMMITMENTS

At the end of the reporting period, the Group had the following capital commitments contracted but not provided for:

	As at	
	30 September	31 March
	2021	2021
	(unaudited)	(audited)
	HK\$'000	HK\$'000
Acquisition of property, plant and equipment	21,078	20,835
Capital expenditure in respect of the construction of the ores processing plant	3,671	3,685
Capital expenditure in respect of the mining operations	8,451	8,868
Capital expenditure in respect of the development of electric vehicles	17,655	21,542
	50,855	54,930

28. FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY

The carrying amounts of the Group's financial assets and financial liabilities as recognised at 30 September 2021 and 31 March 2021 may be categorised as follows:

	As at	
	30 September 2021 (unaudited) HK\$'000	31 March 2021 (audited) HK\$'000
Financial assets		
Financial assets at amortised cost (including cash and bank balances)	103,747	105,939
Financial assets at FVTPL – unlisted investment	78,800	16,278
	182,547	122,217
Financial liabilities		
Financial liabilities at amortised cost	117,435	97,238

(a) Financial instruments not measured at fair value

Financial instruments not measured at fair value include trade receivables, contract assets, other receivables and deposits, cash and bank balances, trade payables, other payables and accruals.

The directors of the Company considered that due to the short term nature, the carrying amounts of these financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate to their corresponding fair value.

28. FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY (CONTINUED)

(b) Financial instruments measured at fair value

Financial instruments carried at fair value by level of fair value hierarchy:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	As at 30 September 2021 (unaudited)				As at 31 March 2021 (audited)			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Financial assets at fair value								
– Unlisted equity investments	–	–	78,800	78,800	–	–	16,278	16,278

There were no transfers between levels during the period.

29. APPROVAL OF INTERIM FINANCIAL STATEMENTS

The unaudited condensed consolidated interim financial statements were approved and authorised for issue by the board of directors on 29 November 2021.