

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



## HANS ENERGY COMPANY LIMITED

### 漢思能源有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 00554)

## ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2021

The Board of Directors (the “Directors”) of Hans Energy Company Limited (the “Company”) announce the unaudited consolidated interim results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2021 as follows:

### CONSOLIDATED INCOME STATEMENT

for the six months ended 30 June 2021 - unaudited

(Expressed in Hong Kong dollars)

	Note	Six months ended 30 June	
		2021 \$'000	2020 \$'000
<b>Revenue</b>	3	<b>1,659,130</b>	1,029,346
Direct costs and operating expenses		<b>(1,596,301)</b>	(1,007,794)
		<b>62,829</b>	21,552
Other income	4	<b>1,257</b>	4,851
Administrative expenses		<b>(68,900)</b>	(38,739)
<b>Loss from operations</b>		<b>(4,814)</b>	(12,336)
Finance costs	5(a)	<b>(27,568)</b>	(24,405)
<b>Loss before taxation</b>	5	<b>(32,382)</b>	(36,741)
Income tax	6	<b>(338)</b>	119
<b>Loss for the period</b>		<b>(32,720)</b>	(36,622)
<b>Attributable to:</b>			
Equity shareholders of the Company		<b>(34,019)</b>	(35,887)
Non-controlling interests		<b>1,299</b>	(735)
<b>Loss for the period</b>		<b>(32,720)</b>	(36,622)
<b>Basic and diluted losses per share</b>	7	<b>(0.87) cents</b>	(0.98) cents

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME***for the six months ended 30 June 2021 - unaudited**(Expressed in Hong Kong dollars)*

	<b>Six months ended 30 June</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Loss for the period</b>	<b>(32,720)</b>	<b>(36,622)</b>
<b>Other comprehensive income for the period:</b>		
Item that may be reclassified subsequently to consolidated income statement:		
Exchange differences on translation of financial statements of subsidiaries	<b>3,444</b>	<b>(3,670)</b>
Decrease in fair value of investments at fair value through other comprehensive income	<b>-</b>	<b>(2,300)</b>
<b>Other comprehensive income for the period</b>	<b>3,444</b>	<b>(5,970)</b>
<b>Total comprehensive income for the period</b>	<b>(29,276)</b>	<b>(42,592)</b>
<b>Attributable to:</b>		
Equity shareholders of the Company	<b>(30,783)</b>	<b>(41,816)</b>
Non-controlling interests	<b>1,507</b>	<b>(776)</b>
<b>Total comprehensive income for the period</b>	<b>(29,276)</b>	<b>(42,592)</b>

**CONSOLIDATED BALANCE SHEET***at 30 June 2021 – unaudited**(Expressed in Hong Kong dollars)*

	<i>Note</i>	At <b>30 June</b> <b>2021</b> <b>\$'000</b>	At 31 December 2020 \$'000
<b>Non-current assets</b>			
Property, plant and equipment		<b>554,781</b>	576,639
Interests in leasehold land and building held for own use		<b>207,952</b>	208,769
Prepayments and other receivables		<b>13,890</b>	16,070
Other investments	8	<b>169,731</b>	167,959
Intangible assets		<b>1,146</b>	1,239
Goodwill		<b>5,091</b>	5,033
		<b>952,591</b>	975,709
<b>Current assets</b>			
Inventories		<b>208,664</b>	174,688
Trade and other receivables	9	<b>450,303</b>	516,864
Cash and bank balances		<b>357,642</b>	353,219
		<b>1,016,609</b>	1,044,771
<b>Current liabilities</b>			
Trade and other payables and contract liabilities	10	<b>80,543</b>	127,861
Bank loans	11	<b>195,257</b>	162,218
Lease liabilities		<b>6,258</b>	6,487
Current taxation		<b>-</b>	584
Amounts due to related parties	12	<b>80,860</b>	82,230
		<b>362,918</b>	379,380
<b>Net current assets</b>		<b>653,691</b>	665,391
<b>Total assets less current liabilities</b>		<b>1,606,282</b>	1,641,100
<b>Non-current liabilities</b>			
Bank loans	11	<b>595,355</b>	627,560
Lease liabilities		<b>24,596</b>	27,311
		<b>619,951</b>	654,871
<b>Net assets</b>		<b>986,331</b>	986,229
<b>Capital and reserves</b>			
Share capital		<b>395,664</b>	395,664
Reserves		<b>572,048</b>	573,453
<b>Total equity attributable to equity shareholders of the Company</b>		<b>967,712</b>	969,117
<b>Non-controlling interests</b>		<b>18,619</b>	17,112
<b>Total equity</b>		<b>986,331</b>	986,229

## NOTES :

*(Expressed in Hong Kong dollars, unless otherwise indicated)*

### 1. Basis of preparation

The unaudited consolidated interim financial information set out in this announcement does not constitute the unaudited interim financial report of the Group for the six months ended 30 June 2021 but is extracted from that unaudited interim financial report which has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with Hong Kong Accounting Standard (“HKAS”) 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). It was authorised for issue on 25 August 2021.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2020 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2021 annual financial statements. Details of any changes in accounting policies are set out in note 2.

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

The interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2020 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”).

The interim financial report is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the HKICPA.

The financial information relating to the financial year ended 31 December 2020 that is included in the interim financial report as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that financial year but is derived from those financial statements.

### 2. Changes in accounting policies

The HKICPA has issued several amendments, new standard or interpretation to HKFRSs that are first effective for the current accounting period of the Group. None of these developments has had a material effect on how the Group’s results and financial position for the current or prior periods have been prepared or presented in the interim financial report.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

### 3. Revenue and segment reporting

The Group manages its businesses by entities, which are organised by a mixture of both business lines and geography. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has identified the following three reportable segments. No operating segments have been aggregated to form the following reportable segments:

- Terminal Storage: this segment represents the Group's provision of terminal, storage and transshipment activities carried out in Dongguan, the People's Republic of China (the "PRC").
- Trading: this segment represents the Group's trading of oil and petrochemical products business carried out in Hong Kong and the PRC.
- Retail: this segment represents the Group's operation of a filling station in Zengcheng, the PRC.

#### (a) Segment results, assets and liabilities

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

Segment assets include all tangible, intangible assets and current assets with the exception of investments in subsidiaries and other corporate assets. Segment liabilities include trade and other payables and contract liabilities and lease liabilities attributable to the individual segments and bank loans managed directly by the segments.

Revenue and expenses are allocated to the reportable segments with reference to revenue generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

The measure used for reporting segment loss is "loss before taxation" i.e. "adjusted losses before taxation". To arrive at "loss before taxation", the Group's losses are further adjusted for items not specifically attributed to individual segments, such as head office or corporate administration costs.

#### (b) Disaggregation of revenue

Disaggregation of revenue from contracts with customers within the scope of HKFRS 15 by major service lines is as follows:

	Six months ended 30 June	
	2021	2020
	\$'000	\$'000
Storage and warehousing income	71,518	56,506
Port and transshipment income	22,654	17,670
Sales of oil and petrochemical products	1,553,736	949,020
Retail revenue from operating a filling station	11,222	6,150
	<u>1,659,130</u>	<u>1,029,346</u>

### 3. Revenue and segment reporting (continued)

#### (c) Information about profit or loss, assets and liabilities

	<i>Terminal Storage</i>		<i>Trading</i>		<i>Retail</i>		<i>Total</i>	
	<i>2021</i>	<i>2020</i>	<i>2021</i>	<i>2020</i>	<i>2021</i>	<i>2020</i>	<i>2021</i>	<i>2020</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
<i>For the six months ended 30 June</i>								
Revenue from external customers	94,172	74,176	1,553,736	949,020	11,222	6,150	1,659,130	1,029,346
Inter-segment revenue	3,414	1,501	25,042	4,284	-	-	28,456	5,785
Reportable segment revenue	<u>97,586</u>	<u>75,677</u>	<u>1,578,778</u>	<u>953,304</u>	<u>11,222</u>	<u>6,150</u>	<u>1,687,586</u>	<u>1,035,131</u>
Reportable segment (loss)/profit before taxation	<u>(1,970)</u>	<u>(7,019)</u>	<u>17,241</u>	<u>(6,298)</u>	<u>58</u>	<u>(1,151)</u>	<u>15,329</u>	<u>(14,468)</u>
	<i>Terminal Storage</i>		<i>Trading</i>		<i>Retail</i>		<i>Total</i>	
	<i>At 30 June 2021</i>	<i>At 31 December 2020</i>	<i>At 30 June 2021</i>	<i>At 31 December 2020</i>	<i>At 30 June 2021</i>	<i>At 31 December 2020</i>	<i>At 30 June 2021</i>	<i>At 31 December 2020</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
Reportable segment assets	979,754	979,497	888,150	753,129	66,640	61,888	1,934,544	1,794,514
Reportable segment liabilities	811,246	806,894	240,792	268,199	70,613	65,013	1,122,651	1,140,106

#### (d) Reconciliations of reportable segment loss before taxation to consolidated loss before taxation

	<b>Six months ended 30 June</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Reportable segment profit/(loss) before taxation	15,329	(14,468)
Unallocated other (expenses)/income	(2,474)	1,302
Unallocated head office and corporate expenses	<u>(45,237)</u>	<u>(23,575)</u>
Consolidated loss before taxation	<u><b>(32,382)</b></u>	<u><b>(36,741)</b></u>

### 4. Other income

	<b>Six months ended 30 June</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Interest income	826	5,116
Net foreign exchange loss	(262)	(3,245)
(Loss)/gain on disposal of property, plant and equipment	(8)	1
Net fair value losses on financial assets at fair value through profit or loss	(869)	-
Dividend income from other investments	167	-
Others	<u>1,403</u>	<u>2,979</u>
	<u><b>1,257</b></u>	<u><b>4,851</b></u>

## 5. Loss before taxation

Loss before taxation is arrived at after charging:

	Six months ended 30 June	
	2021	2020
	\$'000	\$'000
<i>(a) Finance costs</i>		
Interest on bank loans	26,649	23,857
Interest on lease liabilities	919	548
	<u>27,568</u>	<u>24,405</u>
<i>(b) Staff costs*</i>		
Contributions to defined contribution retirement plan	2,983	1,416
Salaries, wages and other benefits	26,639	22,591
Equity-settled share-based payment expenses	29,378	-
Total staff costs	<u>59,000</u>	<u>24,007</u>
<i>(c) Other items</i>		
Amortisation		
– intangible assets	87	84
Depreciation		
– owned property, plant and equipment	33,476	29,676
– right-of-use assets*	7,061	6,324

\* Staff costs include \$878,000 relating to depreciation of right-of-use assets (six months ended 30 June 2020: \$884,000), which amount is also included in the respective total amount disclosed separately above.

## 6. Income tax

	Six months ended 30 June	
	2021	2020
	\$'000	\$'000
Current tax – PRC Corporate Income Tax		
Provision for the period (ii)	(937)	(25)
Over-provision in previous years	599	144
	<u>(338)</u>	<u>119</u>

Note:

- (i) No Hong Kong Profits Tax was provided for the six months ended 30 June 2021 as the Group sustained a loss for Hong Kong Profits Tax purposes for the period (six months ended 30 June 2020: \$Nil).
- (ii) The statutory income tax rate applicable to the Company's PRC subsidiaries is 25% for the six months ended 30 June 2021 (six months ended 30 June 2020: 25%).

## 7. Losses per share

### *Basic and diluted losses per share*

The calculation of basic and diluted losses per share is based on the loss attributable to ordinary equity shareholders of the Company of \$34,019,000 (six months ended 30 June 2020: \$35,887,000) and weighted average of 3,898,048,000 ordinary shares (six months ended 30 June 2020: 3,674,048,000 ordinary shares) in issue during the period, calculated as follows:

	Six months ended 30 June	
	2021	2020
	\$'000	\$'000
Issued ordinary shares at 1 January	3,956,638	3,732,638
Effect of treasury shares held under share award scheme	<u>(58,590)</u>	<u>(58,590)</u>
Weighted average number of ordinary shares as at 30 June	<u>3,898,048</u>	<u>3,674,048</u>
Loss attributable to ordinary equity shareholders	<u>(34,019)</u>	<u>(35,887)</u>
Basic and diluted losses per share	<u>(0.87) cents</u>	<u>(0.98) cents</u>

The diluted losses per share is the same as the basic losses per share as there were no dilutive potential ordinary shares in existence during the six months ended 30 June 2021 and 2020.



## 8. Other investments

	Note	At 30 June 2021 \$'000	At 31 December 2020 \$'000
Unlisted equity securities at FVOCI (non-recycling)	(i)	118,557	118,557
Financial assets measured at FVPL	(ii)	51,174	49,402
		<b>169,731</b>	<b>167,959</b>

Note:

- (i) The unlisted equity securities are shares in Bravo Transport Holdings Limited (“BTHL”), a company incorporated in the British Virgin Islands and engaged in investment holding. On 9 October 2020, all of the BTHL shares held by the Group (“the Charged Shares”) was charged to China CITIC Bank International Limited as part of the financial assistance provision to BTHL. On 24 December 2020, the Charged Shares were released pursuant to a deed of release dated 24 December 2020.

The Group designated its investment in BTHL at FVOCI (non-recycling), as the investment is held for strategic purposes. No dividends were received on this investment during the period.

- (ii) The financial assets represent investments in a limited partnership.

## 9. Trade and other receivables

At the end of the reporting period, the ageing analysis of trade debtors (which are included in trade and other receivables), based on the invoice date and net of loss allowance, is as follows:

	At 30 June 2021 \$'000	At 31 December 2020 \$'000
Within 1 month or not demanded	151,006	80,116
Over 1 month but within 2 months	555	-
Over 2 months but within 3 months	139,900	-
Over 3 months	85,270	-
Trade debtors, net of loss allowance	376,731	80,116
Prepayment and other receivables	73,572	436,748
	<b>450,303</b>	<b>516,864</b>

Subject to negotiation, credit is generally only available to major customers with well-established trading records. The Group allows credit period of 30-180 days to its trade customers.

The provision for loss allowance is recorded using a provision account unless the Group is satisfied that the recovery is remote, in which case the expected credit loss is written off against the receivables and the provision for doubtful debts directly. The Group does not hold any collateral over these balances.

## 10. Trade and other payables and contract liabilities

As of the end of the reporting period, the ageing analysis of trade creditors (which are included in trade and other payables and contract liabilities), based on the invoice date, is as follows:

	At 30 June 2021 \$'000	At 31 December 2020 \$'000
Total creditors (within one month)	38,000	73,382
Other creditors and accrued charges	31,241	26,873
Contract liabilities	11,302	27,606
	<u>80,543</u>	<u>127,861</u>

## 11. Bank loans

(a) The analysis of the carrying amount of bank loans is as follows:

	At 30 June 2021 \$'000	At 31 December 2020 \$'000
<b>Current liabilities</b>		
Bank loans	195,257	162,218
<b>Non-current liabilities</b>		
Bank loans	595,355	627,560
	<u>790,612</u>	<u>789,778</u>

(b) As at 30 June 2021, the bank loans were repayable as follows:

	At 30 June 2021 \$'000	At 31 December 2020 \$'000
<b>Bank loans (secured)</b>		
Within 1 year or on demand	195,257	162,218
After 1 year but within 2 years	91,040	81,701
After 2 years but within 5 years	383,028	545,859
After 5 years	121,287	-
	<u>595,355</u>	<u>627,560</u>
	<u>790,612</u>	<u>789,778</u>

## **11. Bank loans (continued)**

- (c) At 30 June 2021, the Group had banking facilities totalling \$790,612,000 (31 December 2020: \$789,778,000), which were secured by certain of the Group's property, plant and equipment with net book value of \$344,254,000 as at 30 June 2021 (31 December 2020: \$365,765,000) and interests in leasehold land held for own use with net book value of \$179,737,000 (31 December 2020: \$180,176,000). The banking facilities were utilised to the extent of \$790,612,000 as at 30 June 2021 (31 December 2020: The banking facilities of the Group amounted to \$813,542,000 of which \$789,778,000 were utilised).

## **12. Amounts due to related parties**

The amounts due to related parties are unsecured, interest-free and repayable within one year.

## **13. Commitments**

### *Capital commitments outstanding at 30 June 2021 not provided for in the interim financial report*

At 30 June 2021, the Group had capital expenditure contracted for but not provided in the interim financial report in respect of interest in a limited partnership of approximately \$100 million (31 December 2020: approximately \$103 million). The purpose of the limited partnership is primarily achieving capital appreciation and participating primarily through investments in equity and equity-related securities, mainly in companies based in Asia-Pacific and Europe and portfolio funds with a similar investment focus.

## **14. Equity settled share-based transactions**

On 30 August 2018, 65,000,000 options and 62,500,000 options were granted to directors and employees of the Group at \$1 per each option grantee by the Company under the Company's share option scheme respectively. These share options were vested on 31 May 2019 and then be exercised until 29 August 2028. The exercise price is \$0.236, being the weighted average closing price of the Company's ordinary shares immediately before the grant. On 30 October 2020, 49,000,000 of these options were exercised and shares were issued accordingly. The weighted average share price immediate before the date of exercise for share options exercised during the period was \$0.40.

On 23 December 2020, 5,000,000 options were granted to a director of the Group by the Company under the Share Option Scheme. The directors estimated the fair value of each option at the grant date to be \$0.1192. The exercise price of each option is \$0.400 per share. The options vested on 23 December 2020 and would then be exercisable from 23 December 2020 to 22 December 2025. The share price immediately before the date on which the options were granted was \$0.390.

On 23 December 2020, 243,763,800 options carrying the rights to subscribe for 243,763,800 shares were granted to Mr. David An, a substantial shareholder and an executive director of the Group, subject to the independent shareholders' approval at an extraordinary general meeting held on 25 January 2021 ("the EGM"). The independent shareholders approved the said grant of share options at the EGM. The directors estimated the fair value of each option at the grant date to be \$0.1049. The exercise price of each option is \$0.400 per share. The options were vested on 25 January 2021 and exercisable from 25 January 2021 to 22 December 2025. The share price immediately before the date on which the options were granted was \$0.390.

#### 14. Equity settled share-based transactions (continued)

On 14 April 2021, 3,000,000 options were granted to a director of the Group by the Company under the Share Option Scheme. The directors estimated the fair value of each option at the grant date to be \$0.1285. The exercise price of each option is \$0.340 per share. The options will be vested on 14 April 2022 and exercisable from 14 April 2022 to 13 April 2027. The share price immediately before the date on which the options were granted was \$0.340.

On 14 April 2021, 392,663,800 options carrying the rights to subscribe for 392,663,800 shares were granted to Mr. David An, a substantial shareholder and an executive director of the Group, subject to the independent shareholders' approval at annual general meeting held on 2 June 2021 ("the AGM"). The independent shareholders approved the said grant of share options at the AGM. The directors estimated the fair value of each option at the grant date to be \$0.1194. The exercise price of each option is \$0.340 per share. The option will be vested on 14 April 2022 and exercisable from 14 April 2022 to 13 April 2027. The share price immediately before the date on which the options were granted was \$0.340.

Equity-settled share-based payment expenses of \$29,378,000 were recognised in the consolidated income statement for the six months ended 30 June 2021 (six months ended 30 June 2020: \$Nil).

No share option was exercised during the six months ended 30 June 2021 (six months ended 30 June 2020: Nil).

- (i) The terms and conditions of the grants are as follows:

	Number of instruments	Vesting conditions	Contractual life of options
Option granted to directors			
- on 30 August 2018	<b>65,000,000</b>	100% vested on 31 May 2019	10 years
- on 23 December 2020	<b>5,000,000</b>	100% vested on 23 December 2020	5 years
- on 25 January 2021	<b>243,763,800</b>	100% vested on 25 January 2021	5 years
- on 14 April 2021	<b>3,000,000</b>	100% vested on 14 April 2022	6 years
- on 2 June 2021	<b>392,663,800</b>	100% vested on 14 April 2022	6 years
Options granted to employees			
- on 30 August 2018	<b>62,500,000</b>	100% vested on 31 May 2019	10 years
Total	<b><u>771,927,600</u></b>		

- (ii) The number and weighted average exercise prices of the share options are as follow:

	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options
	Six months ended 30 June 2021		Six months ended 30 June 2020	
Outstanding at the beginning of the period	<b>0.246</b>	<b>78,500,000</b>	0.236	122,500,000
Granted during the period	<b>0.363</b>	<b><u>639,427,600</u></b>	-	-
Outstanding at the end of the period	<b>0.350</b>	<b><u>717,927,600</u></b>	0.236	<b><u>122,500,000</u></b>

The options outstanding at 30 June 2021 had an exercise price of \$0.236, \$0.400 or \$0.340 (30 June 2020: \$0.236) and a weighted average remaining contractual life of 5.5 years (30 June 2020: 8.2 years).

## 14. Equity settled share-based transactions (continued)

### (iii) Fair value of the options and assumptions

The fair value of services received in return for options granted is measured by reference to fair value of the options granted. The estimate of fair value of options granted is measured based on a binomial model. The contractual life of the share option is used as an input into this model.

<b>Grant date</b>	<b>2 June 2021</b>	<b>14 April 2021</b>	<b>25 January 2021</b>	<b>23 December 2020</b>	<b>30 August 2018</b>
Fair value at measurement date	<b>\$0.1194</b>	<b>\$0.1285</b>	<b>\$0.1049</b>	\$0.1192	\$0.1200
Vesting period	<b>10 months</b>	<b>1 year</b>	-	-	9 months
Share price	<b>\$0.3750</b>	<b>\$0.3400</b>	<b>\$0.3950</b>	\$0.4000	\$0.2360
Exercise price	<b>\$0.3400</b>	<b>\$0.3400</b>	<b>\$0.4000</b>	\$0.4000	\$0.2360
Expected volatility	<b>39%</b>	<b>44%</b>	<b>39%</b>	39%	54%
Option life	<b>6 years</b>	<b>6 years</b>	<b>5 years</b>	5 years	10 years
Expected dividends	<b>Nil %</b>	<b>Nil %</b>	<b>Nil %</b>	Nil %	Nil %
Risk-free interest rate	<b>0.810%</b>	<b>0.820%</b>	<b>0.322%</b>	0.243%	2.170%

The expected volatility is based on statistical analysis of weekly share prices of the Company over the past years immediately preceding the grant date. The calculation is based on the assumption that there is no material difference between the expected volatility over the whole life of the options and the historical volatility of the shares of Company. Changes in the 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.

## 15. Non-adjusting events after the reporting period

Subsequent to the end of the reporting period, on 6 July 2021, approximately USD2,833,000 (equivalent to \$21,820,000) was contributed to the limited partnership for further investments.

## MANAGEMENT DISCUSSION AND ANALYSIS

*(Expressed in Hong Kong dollars, unless otherwise indicated)*

### BUSINESS REVIEW

#### Company Profile

Hans Energy Company Limited (the “Company”) and its subsidiaries (the “Group”) is a leading operator in providing integrated facilities of jetties, storage tanks, warehousing and logistic services in south China for petroleum and liquid chemicals products, offering value-added services in its own ports and storage tank farms (the “terminal storage business”), trading of oil and petrochemical products (the “trading business”) and operating of a filling station (the “retail business”).

#### *Terminal Storage Business*

The Group owns and operates a liquid product terminal, namely Dongzhou Petrochemical Terminal (“DZIT”) carried out by Dongguan Dongzhou International Petrochemical Storage Limited (“DZ International”), an indirect subsidiary of the Company. DZIT is situated in Lisha Island, Humen Harbour district, Shatian county, Dongguan city, Guangdong province. It was built with berths ranging from 500 to 100,000 dwt. The tank farm has a site area of approximately 516,000 square metres and is installed with 94 oil and petrochemical tanks of a total storage capacity of approximately 260,000 cubic metres, out of which 180,000 cubic metres are specialised for gasoline, diesel and similar petroleum products commonly available in trading and consumption markets. Storage tanks with capacity of 80,000 cubic metres were built for petrochemical products.

#### *Trading Business*

The Group operates in trading of oil and petrochemical products carried out in the People’s Republic of China (the “PRC”) and Hong Kong. Shanghai Diyou Industry Co., Ltd. (“SHDY”), an indirect subsidiary of the Company, is principally engaged in trading of oil and petrochemical products and holds a refined oil wholesale operating licence issued by the Ministry of Commerce of the PRC and is also a qualified supplier for major energy companies such as PetroChina, Sinopec etc. Besides, SHDY actively develops and establishes the customer base of filling stations and provides petrol and diesel supplies to third party filling stations. The Group has further expanded its trading business to import trade since the last quarter of last year, that not only drives the trading business carried out by the Group’s subsidiaries in Hong Kong, but also expands the Group’s customer base and business scale.

#### *Retail Business*

The Group owns and operates a filling station, namely Hans Energy Industry & Transportation Filling Station (“HEIT filling station”) with the co-operation with a local state-owned enterprise in Guangzhou city. HEIT filling station was situated in Zengcheng district, Guangzhou city, the PRC with a site area of approximately 12,500 square metres and has commenced its operations since April 2020. Its floor area, fuel island configuration, equipment level and construction standards all meet the standards of local flagship filling stations. HEIT filling station is mainly engaged in petrol filling services, supplemented by comprehensive services such as convenience stores, car maintenance and logistics warehouses, and providing petrol filling related services. The Group actively expands its share of the refined oil retail market by increasing its business segments through various means, including but not limited to acquisition, leasing and franchising. There are currently 6 filling stations under the brand “Hans” located across Guangdong Province and Guangxi Province in the PRC.

## Key Performance Indicators

### *Terminal Storage Business*

The leaseout rates and cargo throughput are the major key performance indicators of the terminals. Assume that the unit rate remains the same, higher leaseout rate should return with higher storage income. More cargoes flows mean more works in the terminals thus more handling fee income. The leaseout rates and cargo throughput of DZIT during the last two interim periods are as follows:

<b>Operational statistics</b>	<b>Six months ended 30 June</b>		
	<b>2021</b>	<b>2020</b>	<b>Change %</b>
<b>Liquid product terminal and transshipment services</b>			
Number of vessels visited			
– foreign	<b>59</b>	84	–29.8
– domestic	<b>277</b>	234	+18.4
Number of trucks served to pick up cargoes	<b>37,478</b>	28,279	+32.5
Number of drums filled	<b>7,532</b>	7,339	+2.6
Transshipment volume (metric ton)	<b>24,005</b>	124,882	–80.8
– oil	<b>22,438</b>	70,907	–68.4
– petrochemical products	<b>1,567</b>	53,975	–97.1
Terminal throughput (metric ton)	<b>3,748,000</b>	3,282,000	+14.2
– port jetty throughput	<b>1,382,000</b>	1,224,000	+12.9
– loading station throughput	<b>2,366,000</b>	2,058,000	+15.0
<b>Storage services</b>			
Leaseout rate – oil and petrochemical products (%)	<b>98.7</b>	97.9	+0.8 points

During the period, the Group introduced certain high-quality new customers from local state-owned enterprises, which mainly store refined oil products and pick up cargoes by vessels and trucks. Thus, the number of domestic vessels visited and trucks served to pick up cargoes increased that drove the terminal throughput also increased by 14.2% over the same period of the last year. Certain customers plan to relocate factories and reduce production during the period, which resulted the Group's overall transshipment volume decreased by 80.8% in the first half year. Nevertheless, the average leaseout rate for both oil and petrochemical tanks continued to maintain as high as 98.7% during the period, representing an increase of 0.8 percentage points over the same period of the prior year.

### ***Trading Business***

The operational statistics of trading business during the last two interim periods are as follows:

<b>Operational statistics</b>	<b>Six months ended 30 June</b>		
	<b>2021</b>	<b>2020</b>	<b>Change %</b>
Number of sale contracts entered	<b>53</b>	68	-22.1
Sales volume of oil and petrochemical products (metric ton)	<b>270,000</b>	254,000	+6.3

During the period, China government began to levy consumption tax on refined oil products such as light cycle oil, mixed aromatics and diluted asphalt, which hindered the Group's expansion of light cycle oil trade business. In addition, due to China's strengthening of tax supervision over local refineries, the number of refinery shipments is limited, which caused the Group to reduce many back-to-back orders during the period, thus reducing the overall number of sales contracts entered. Based on Mainland policies and market changes, the Group adjusted its business strategy accordingly, and vigorously developed the end customers of filling stations to improve unit profit. Coupled with the Group's active expansion of refined oil trade business in Hong Kong, the overall sales volume still increased by 6.3% compared with the same period of the last year.

### ***Retail Business***

The operational statistics of retail business during the last two interim periods are as follows:

<b>Operational statistics</b>	<b>Six months ended 30 June</b>		
	<b>2021</b>	<b>2020</b>	<b>Change %</b>
Sales volume of petrol filling (litres)	<b>1,790,000</b>	1,300,000	+37.7

During the six months ended 30 June 2021, total sales volume of petrol filling was approximately 1.8 million litres, a relatively smaller increment than the total sales volume of approximately 1.3 million litres for only about two months of operation since April 2020. This is because more discounts were launched and contributing to the rapid increase in sales volume when the filling station commenced operations in April last year. Coupled with the provincial highway near the filling station was closed for repair starting from July last year, and COVID-19 cases in Guangzhou began to rise again from May to June this year, which made the sales volume increase of filling stations lower than expected. With the increase in the number of vaccinations received, the continued easing of the pandemic and the completion of the road repair project expected by the middle of next year, the filling station business will be greatly improved.



## SEGMENT REVENUE

During the six months ended 30 June 2021, the Group manages its operations by three existing reportable segment revenue from the business of (i) trading, (ii) terminal storage and (iii) retail. The breakdown is as follows:

Six months ended 30 June	Trading				Terminal Storage				Retail				Total			
	2021		2020		2021		2020		2021		2020		2021		2020	
	\$'000	%	\$'000	%	\$'000	%	\$'000	%	\$'000	%	\$'000	%	\$'000	%	\$'000	%
Sales of oil and petrochemical products	1,553,736	100.0	949,020	100.0	-	-	-	-	-	-	-	-	1,553,736	93.6	949,020	92.2
Storage income	-	-	-	-	71,518	75.9	56,506	76.2	-	-	-	-	71,518	4.3	56,506	5.5
Transshipment and other handling income	-	-	-	-	20,279	21.6	16,927	22.8	-	-	-	-	20,279	1.2	16,927	1.6
Port income	-	-	-	-	1,111	1.2	743	1.0	-	-	-	-	1,111	0.1	743	0.1
Interconnection income	-	-	-	-	1,264	1.3	-	-	-	-	-	-	1,264	0.1	-	-
Retail revenue from operating a filling station	-	-	-	-	-	-	-	-	11,222	100.0	6,150	100.0	11,222	0.7	6,150	0.6
	1,553,736	100.0	949,020	100.0	94,172	100.0	74,176	100.0	11,222	100.0	6,150	100.0	1,659,130	100.0	1,029,346	100.0

During the six months ended 30 June 2021, the Group's total revenue increased significantly from \$1,029.3 million to \$1,659.1 million, an increase by 61.2% as compared to the same period of the prior year. The increase was mainly attributable to the expansion of trading business to Hong Kong that has brought an additional revenue of \$591.2 million to the Group. During the six months ended 30 June 2021, revenue from the provision of terminal, storage and transshipment activities for liquid chemicals products in DZIT was \$94.2 million, an increase by 27.0% on a half-year basis. The increase was mainly attributable to the increase in storage income by \$15.0 million that was contributed by the introduction of new oil customers, new revenue from mutual access and interconnection pipeline between DZIT and the surrounding port jetty and oil terminal and the increase of handling income during the period. On the other hand, operating a filling station has also brought into the constant retail revenue to the Group since April 2020.

## **OUTLOOK**

In the first half of 2021, the performance of each business segment of the Group remained stable. The Group's revenue in the first half of the year increased by 61.2% as compared to the same period of the last year. The main benefit came from the commencement of international trade by Oriental Point International Limited, a subsidiary of the Group since the end of last year, which led to a substantial increase in revenue. Although the terminal, storage and transshipment business has been affected by the epidemic and China policies which led to the decline of overall transshipment volumes, those business income and gross profit margin have increased due to the higher storage leaseout rate and the increase in unit prices. Looking forward to the second half of 2021, the Group's each business segment is expected to maintain the performance similar to that of the first half of the year, and it is expected that new energy business will be developed and the progress in respect of the business cooperation will be made in DZIT Phase II.

### ***Expansion of the Refined Oil Retail Market***

Due to the complicated approval procedures and long processing cycle for the construction of filling stations, the Group mainly increases the number of branded filling stations by being the key fuel supplier of the filling stations in order to speed up the expansion of the Company's share in the refined oil retail market, and currently 6 filling stations operated under the brand "Hans", with an aggregate annual retail sales volume of petrol and diesel amounting to approximately 30 million litres. The Company will continuously expand the number of branded filling stations to boost the domestic refined oil trading and enhance profitability.

### ***DZIT Phase II Construction Project***

The Group is actively discussing with the local government and related partners, and strives to utilise the reserved land of DZIT and the transformation of existing terminal facilities, construction of liquefied natural gas (LNG) based liquefied gas storage tanks, terminal loading and unloading and transshipment facilities. After years of unremitting promotion by the Group and the introduction of new partners, based on the current work progress, it is expected that project will be initiated in the second half of this year. Once the project is approved by local government and puts into operations, it will fully leverage our existing facilities and utilise the spare capacity of our port jetty and reserved land in DZIT and improve the storage capacity in terminal, furthermore, the loading and unloading and storage fees for liquefied gas are much higher than those for oil and liquid chemicals, which will greatly increase the revenue and profitability of DZ International.

### ***Active participation in the development of the new energy industry chain***

To contribute to the environmental protection of Hong Kong and achieve the goal of "Carbon Neutrality", the Group early discussed with an internationally renowned automobile company and several local and foreign key suppliers in the hydrogen energy industry chain the intention to mutually promote hydrogen fuel cell buses and other commercial vehicles in Hong Kong. At the same time, this intention has obtained positive responses from Citybus Limited and New World First Bus Services Limited. The short-term goal of this cooperation is to jointly propose a plan for the use of hydrogen fuel cell buses (or including other hydrogen fuel cell commercial vehicles) in Hong Kong. The Group will provide assistance to this plan based on our experience in fuel supply and storage and distribution. We believe that in the process of building the hydrogen energy industry chain in Hong Kong, the Group can be the pioneer and make due contributions. The use of hydrogen fuel cell vehicles not only can achieve completely pollution-free and zero emissions, but also has great potential for development for heavy-duty and long-distance transportation vehicles than rechargeable battery vehicles.

## FINANCIAL REVIEW

### RESULTS OF OPERATIONS

During the six months ended 30 June 2021, the Group's financial performance are set out as bellows:

	Six months ended 30 June		
	2021	2020	Changes
	\$'000	\$'000	%
Revenue	<b>1,659,130</b>	1,029,346	+61.2
Direct costs and operating expenses	<b>(1,596,301)</b>	(1,007,794)	+58.4
Gross profit	<b>62,829</b>	21,552	+191.5
Loss before interest and tax ("LBIT")	<b>(4,814)</b>	(12,336)	-61.0
Depreciation and amortisation	<b>40,624</b>	36,084	+12.6
Finance costs	<b>27,568</b>	24,405	+13.0
Earnings before interest, tax, depreciation and amortisation ("EBITDA")	<b>35,810</b>	23,748	+50.8
Gross profit margin (%)	<b>3.8</b>	2.1	+1.7 points
Net loss margin (%)	<b>-2.0</b>	-3.6	-1.6 points
Basic and diluted losses per share (cents)	<b>(0.87)</b>	(0.98)	-11.2

#### Revenue and gross profit margin

During the six months ended 30 June 2021, the Group's revenue was \$1,659.1 million (2020: \$1,029.3 million), representing an increase of 61.2% over the same period of the last year. The trading business has been expanded to Hong Kong that has brought an additional substantial revenue of approximately \$591.2 million to the Group. During the period, total revenue from trading of oil and petrochemical products was \$1,553.7 million, accounting for 93.6% of the Group's total revenue while revenue from the provision of terminal, storage and transshipment activities for petroleum and liquid chemicals products in DZIT was \$94.2 million which increased by 27.0% over the same period of the last year. During the period, the gross profit margin was 3.8%, slightly increased by 1.7 percentage points on a half-year basis. The increase was mainly attributable to the increase of gross profit due to the increase in storage unit price from terminal storage business.

#### Direct costs and operating expenses

During the six months ended 30 June 2021, the Group's direct costs and operating expenses were \$1,596.3 million, representing an increase of 58.4% over the same period of the last year. The increase was mainly attributable to the cost of inventories of \$588.3 million incurred that was attributable by the trading business carried out in Hong Kong during the period. During the six months ended 30 June 2021, total costs of inventories from refined oil and petrochemical products were \$1,538.0 million, accounting for 96.3% of total direct costs and operating expenses.

#### LBIT and EBITDA

During the six months ended 30 June 2021, LBIT was approximately \$4.8 million (2020: \$12.3 million), representing a decrease of 61.0% over the same period of the last year. The decrease was mainly attributable to the increase of gross profit partially offset by the increase of administrative expenses due to the equity settled share-based payment expenses of \$29.4 million during the period. As a result of the decrease of LBIT, EBITDA increased to \$35.8 million (2020: \$23.7 million) during the period.

## **Finance costs**

During the period, finance costs amounted to \$27.6 million (2020: \$24.4 million) which were mainly incurred on the Group's outstanding bank loans. The bank borrowings are denominated in RMB, the appreciation of exchange rate against RMB has contributed to the increase in finance cost.

## **Taxation**

The Group sustained a loss for Hong Kong profits tax purposes for the period. The applicable tax rate of the Group's PRC subsidiaries for the period ended 30 June 2021 was 25% (2020: 25%).

## **Basic and diluted losses per share**

The basic and diluted losses per share for the six months ended 30 June 2021 were \$0.87 cents (2020: \$0.98 cents).

## **LIQUIDITY, GEARING AND CAPITAL STRUCTURE**

As at 30 June 2021, the Group's total cash and bank balances amounted to \$357.6 million (31 December 2020: \$353.2 million). Most of the funds were held in HK dollars, RMB and US dollars.

As at 30 June 2021, the Group had total assets of \$1,969.2 million (31 December 2020: \$2,020.5 million) and net current assets were \$653.7 million (31 December 2020: \$665.4 million). The current ratio as at 30 June 2021 of the Group was 2.80 (31 December 2020: 2.75), indicating that the Group has adequate cash to meet its short-term obligations.

As at 30 June 2021, the Group had outstanding bank borrowings of \$790.6 million (31 December 2020: \$789.8 million). The total owners' equity of the Group as at 30 June 2021 amounted to approximately \$986.3 million (31 December 2020: \$986.2 million). The gearing ratio (defined as total liabilities to total assets) as at 30 June 2021 was 49.9% (31 December 2020: 51.2%). The Group will continuously consider various financing methods to improve our existing financial position and reduce the degree of leverage of the Group.

## **FINANCIAL RESOURCES**

During the six months ended 30 June 2021, the Group met its working capital requirement principally from its business operation and financed with facilities provided by bank. Management is confident that the Group should have adequate financial resources to meet its future debt repayment and support its working capital and future expansion requirements. Due attention will be paid to the capital and debt markets as well as the latest developments of the Group in order to ensure the efficient use of financial resources.

## **SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS**

Save for those disclosed in this interim results announcement, there was no other significant investments, nor there was no any other material acquisitions or disposals during the period. The Group did not have any future plans for materials investments nor addition of capital assets as at the reporting date.

## **EXPOSURE TO FLUCTUATION IN EXCHANGE RATES AND PRICES AND RELATED HEDGE**

The Group's cash and bank balances are held predominately in HK dollars, RMB and US dollars. Operating outgoings incurred by the Group's subsidiaries in the PRC are mainly denominated in RMB, which usually receives revenue in RMB as well. Management considers that the Group exposed to fluctuation in exchange rates are not significant. Prices of oil products are affected by a wide range of global and domestic factors which are beyond the control of the Group. The fluctuations in such prices may have favourable or unfavourable impacts on the Group. However, the Group mainly operated on a back-to-back sale and purchase model to avoid the risk of oil price fluctuations. Accordingly, management is in the opinion that the Group's exposure to foreign exchange rate and price risks are not significant, and hedging by means of derivative instruments is considered unnecessary.

Save for the above disclosed, there was no other significant risks of exchange rates and price during the six months ended 30 June 2021.

## **EMPLOYEE AND REMUNERATION POLICY**

As at 30 June 2021, the Group had a workforce of approximately 240 employees (31 December 2020: 230), 200 (31 December 2020: 205) of which worked for the terminals. The Group remunerates its employees based on industry practices and individual performance and experience. On top of the basic remuneration, discretionary award or bonus (in cash or other forms in kind) as may be determined by the Board may be granted to selected employees by reference to the Group's as well as individual's performances. The Group has adopted the share option scheme and share award scheme under which eligible participants may be granted options to subscribe for shares in the Company or awards in the Company's shares respectively.

## **CHARGE ON GROUP'S ASSETS**

The Group has provided the lender with certain of the Group's property, plant and equipment as collaterals for the banking facilities granted. Details are set out in the note 11.

## **COMMITMENTS**

Details of commitments are set out in note 13.

## **CONTINGENT LIABILITIES**

As at 30 June 2021, the Group has no material contingent liabilities (2020: Nil).

## **EVENTS AFTER BALANCE SHEET DATE**

Details of events after balance sheet date are set out in note 15.

## **INTERIM DIVIDEND**

The directors do not recommend any interim dividend for the six months ended 30 June 2021 (2020: Nil).

## **OTHER INFORMATION**

### **REVIEW OF THE INTERIM FINANCIAL REPORT**

The Group's unaudited interim financial report for the six months ended 30 June 2021 is prepared in accordance with HKAS 34, *Interim financial reporting*. It has been reviewed by the Company's independent auditor KPMG, in accordance with Hong Kong Standard on Review Engagement 2410, *Review of interim financial information performed by the independent auditor of the entity*. The interim financial report has been reviewed by the Audit Committee of the Company.

### **SHARE OPTION SCHEME**

Pursuant to an ordinary resolution passed on 28 December 2012, the Company adopted a share option scheme (the "Share Option Scheme") to attract, retain and motivate the Directors, the employees and senior management of the Group and to provide a means of giving incentive to, rewarding, remunerating, compensating and/or providing benefits to such persons who contribute or may bring benefit to the Group. The Share Option Scheme remains in force for a period of 10 years from adoption of such scheme and expires on 27 December 2022.

Under the Share Option Scheme, the board of Directors (the "Board") may at their discretion grant options to any eligible participant including any Director, employee and senior management of the Company or any subsidiaries from time to time to subscribe for the shares of the Company (the "shares").

The maximum number of shares in respect to which options may be granted under the Share Option Scheme represented 10% of the issued share capital of the Company on the date of adopting the Share Option Scheme. As the Company had utilised 100% of the maximum number of shares available for issue under the Share Option Scheme. Accordingly, the Company obtained the shareholders' approval in general meetings for the refreshment of the Share Option Scheme mandate limit. As at 30 June 2021, the maximum number of share available for issue pursuant to the Share Option Scheme were 395,663,800, being 10% of the total number of issued shares as at the date of passing the resolution approving the said refreshment at the general meetings and 10% of the issued share capital of the Company as at the reporting date.

During the six months ended 30 June 2021, a total of 639,427,600 share options were granted (Six months ended 30 June 2020: Nil) and no share option was exercised, cancelled or lapsed by the relevant grantees (Six months ended 30 June 2020: Nil). As at 30 June 2021, the Company had 717,927,600 options outstanding (31 December 2020: 78,500,000 and 30 June 2020: 122,500,000).

Details of equity settled share-based transactions are set out in note 14 and the movements of the share options during the period ended 30 June 2021 are set as below:

Eligible person	Date of grant	Exercise period	Exercise price HK\$	Note	Outstanding at 1 January 2021	During the period			Outstanding at 30 June 2021
						Granted	Exercised	Cancelled/lapsed/	
<b>Executive Directors</b>									
Mr. An	23/12/2020	25/01/2021 - 22/12/2025	0.400	1	-	243,763,800	-	-	243,763,800
	14/04/2021	14/04/2022 - 13/04/2027	0.340	2	-	392,663,800	-	-	392,663,800
Mr. Yang Dong	30/08/2018	30/08/2019 - 29/08/2028	0.236		20,000,000	-	-	-	20,000,000
Ms. Liu Zhijun	30/08/2018	30/08/2019 - 29/08/2028	0.236		18,000,000	-	-	-	18,000,000
Mr. Zhang Lei ("M. Zhang")	23/12/2020	23/12/2020 - 22/12/2025	0.400		5,000,000	-	-	-	5,000,000
<b>Independent non-executive Directors</b>									
Mr. Li Wai Keung	30/08/2018	30/08/2019 - 29/08/2028	0.236		3,000,000	-	-	-	3,000,000
Mr. Chan Chun Wai, Tony	30/08/2018	30/08/2019 - 29/08/2028	0.236		3,000,000	-	-	-	3,000,000
Mr. Woo King Hang ("Mr. Woo")	14/04/2021	14/04/2022 - 13/04/2027	0.340	3	-	3,000,000	-	-	3,000,000
					49,000,000	639,427,600	-	-	688,427,600
<b>Employees</b>	30/08/2018	30/08/2019 - 29/08/2028	0.236		29,500,000	-	-	-	29,500,000
					78,500,000	639,427,600	-	-	717,927,600

*Notes:*

- On 23 December 2020, 243,763,800 options carrying the rights to subscribe for 243,763,800 shares were granted to Mr. An subject to the independent shareholders' approval at an extraordinary general meeting ("EGM"). The independent shareholders approved the said grant of share options at the EGM on 25 January 2021. The exercise price of each option is HK\$0.400 per share. The options were vested on 25 January 2021 and exercisable from 25 January 2021 to 22 December 2025. The closing price per share on 22 December 2020, being the date immediately before the date on which such share options were granted was HK\$0.390.
- On 14 April 2021, 392,663,800 options carrying the rights to subscribe for 392,663,800 shares were granted to Mr. An subject to the independent shareholders' approval at an annual general meeting ("AGM"). The independent shareholders approved the said grant of share options at the AGM on 2 June 2021. The exercise price of each option is HK\$0.340 per share. The options shall be vested on 14 April 2022 and exercisable from 14 April 2022 to 13 April 2027. The closing price per share on 13 April 2021, being the date immediately before the date on which such share options were granted was HK\$0.340.
- On 14 April 2021, 3,000,000 options carrying the rights to subscribe for 3,000,000 shares were granted to Mr. Woo. The exercise price of each option is HK\$0.340 per share. The options shall be vested on 14 April 2022 and exercisable from 14 April 2022 to 13 April 2027. The closing price per share on 13 April 2021, being the date immediately before the date on which such share options were granted was HK\$0.340.
- Reference is made to the annual report of the Company for the year ended 31 December 2020 ("2020 Annual Report"). In addition to the disclosures in the section of "Directors' Report – Share Option Scheme" in the 2020 Annual Report, the Company would like to provide the following supplemental information pursuant to Rule 17.07 of The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"):
  - Reference is made to the Company's announcement dated 23 December 2020 in respect of the grant of 5,000,000 and 243,763,800 share options to Mr. Zhang and Mr. An respectively. The closing price of the shares on 22 December 2020, being the date immediately before the date on which the aforesaid share options were granted, was HK\$0.390; and
  - In respect of a total of 49,000,000 share options of the Company exercised during the year ended 31 December 2020, of which 18,000,000 share options exercised by Mr. Zhang and 31,000,000 share options exercised by employees, the weighted average closing price of the shares immediately before the dates on which such share options were exercised was HK\$0.400.

The above supplemental information does not affect other information contained in the 2020 Annual Report. Save as disclosed above, all other information contained in the 2020 Annual Report remains unchanged.

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

Save for above disclosed, during the period, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the company's listed securities.

## **CORPORATE GOVERNANCE**

### **(a) Compliance with the Corporate Governance Code and Corporate Governance Report**

The Company's corporate governance practices are based on the principles and the code provisions (the "Code Provisions") set out in the Corporate Governance Code (the "CG Code") contained in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules"). The Board has complied with the CG Code except for the deviations from Code Provisions E.1.2 as disclosed in 2020 annual report.

The Company regularly reviews its corporate governance practices to ensure that these continue to meet the requirements of the CG Code.

### **(b) Compliance with the Model Code**

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 Listing Rules. Specific enquiry has been made of all the Directors and all of them have confirmed that they have complied with the Model Code for the six months ended 30 June 2021.

### **(c) Changes in Director's Information**

The following is the change in the information of directors which are required to be disclosed pursuant to Rule 13.51(2) and 13.51B of the Listing Rules:

With effect from 28 June 2021, Mr. Woo King Hang was appointed as independent non-executive director in Digital Domain Holdings Limited (stock code: 547), the securities of which is listed on the Stock Exchange.

By order of the Board

**Yang Dong**

*Chief Executive Officer and Executive Director*

Hong Kong, 25 August 2021

*As at the date of this report, the Board comprises four executive Directors, namely Mr. David An (Chairman), Mr. Yang Dong, Ms. Liu Zhijun and Mr. Zhang Lei and three independent non-executive Directors, namely Mr. Li Wai Keung, Mr. Chan Chun Wai, Tony and Mr. Woo King Hang.*

*website : [www.hansenergy.com](http://www.hansenergy.com)*