IDG Energy Investment

IDG ENERGY INVESTMENT LIMITED
IDG能源投資有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 650)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2019

The board (the "**Board**") of directors (the "**Directors**") of IDG Energy Investment Limited (the "**Company**") is pleased to announce the unaudited interim results of the Company and its subsidiaries for the six months ended 30 September 2019. The interim results of the Company and its subsidiaries are unaudited but have been reviewed by the audit committee of the Company (the "**Audit Committee**").

CORPORATE PROFILE

The Company is an investment holding company mainly engaged in global energy and other assets investment and management. The financial information of the Company is reported on a consolidated basis with portfolio companies controlled by it, whereas the Company's interests in other portfolio companies are mostly recognized as financial assets at fair value through profit or loss in the Company's financial statements.

As at 30 September 2019, the Company has invested in various energy related portfolio companies, both in China and abroad, which include Hongbo Mining, Stonehold, JOVO, GNL Quebec, LNGL, and JUSDA Energy, etc., covering investments in upstream crude oil assets and strategic investments throughout LNG value chain.

- Hongbo Mining is a portfolio company wholly acquired by the Company in 2016. It is an operating company engaged in exploration, development, production and sales of crude oil in China with its gross sales volume of approximately 214,487 barrels, and gross revenue from sales of approximately HK$107.6 million for the six months ended 30 September 2019. The Company holds 100% equity interest in Hongbo Mining and therefore Hongbo Mining's financial figures are fully consolidated to the Company's financial statements.

- Stonehold, a portfolio company in the upstream sector invested by the Company in 2017, owns a world-class shale oil block in Eagle Ford, Texas of the U.S.. The total net production and the revenue of Stonehold's assets for the first half of 2019 had reached approximately 488,000 boe and US$22.2 million, respectively. The Company invested in Stonehold through providing a Term Loan, where a fixed annual interest rate of 8% is recognized as financial assets at fair value through profit or loss in the Company's financial statements. In addition, the Company is also entitled to an amount equivalent to 92.5% of the net disposal proceeds upon disposal of the underlying assets, which is also recognized as fair value through profit or loss.

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- JOVO, an LNG sector portfolio company invested by the Company in 2017, is principally engaged in clean energy businesses, including importing, processing and sale of LNG and LPG in China. JOVO is the first private LNG receiving terminal operator in China and is one of the internationally recognized players in the LNG market, which imports over 1 million tons of LNG annually. The Company holds minority interest in JOVO, of which the financial results are recognized as financial assets at fair value through profit or loss in the Company's financial statements.

- GNL Quebec is another portfolio company invested by the Company along the LNG value chain. GNL Quebec owns and operates one of the largest Canadian LNG export terminals under development with a planned capacity of 11 mmtpa. The Company holds minority interest in GNL Quebec, of which the financial results are recognized as financial assets at fair value through profit or loss in the Company's financial statements.

- LNGL, a listed company on the Australian Securities Exchange (ASX code: LNG), is another portfolio company that the Company invested in 2018. LNGL owns and operates a fully permitted greenfield LNG export terminal, the Magnolia LNG project, in Louisiana of the U.S., with an annual capacity of 8.8 mmtpa or greater and recognized as one of the most viable LNG projects in the U.S.. The Company is the second largest shareholder of LNGL, and holds a 9.9% equity interest in LNGL. The financial results of LNGL are recognized as financial assets at fair value through profit or loss in the Company's financial statements.

- JUSDA Energy, the latest investment made by the Company in 2018 along the LNG value chain, is engaged in LNG logistics services using LNG ISO container model. JUSDA Energy started its business from 2019, which has already been providing stable logistics services to its customers to help them distribute LNG from domestic LNG receiving terminals or source LNG globally using ISO container. The Company will hold a 39% equity interest upon completion of all equity contribution in JUSDA Energy and its financial results are recognized as interest in an associate in the Company's financial statements.

With strong supports from its Shareholders, mature investment strategies, sophisticated cross-border transaction capabilities and in-depth knowledge of the global energy market, the Company has best positioned itself to grasp the industry momentum brought by China's energy structural reform and the dynamic changes of the global natural gas market, and is committed to becoming the best cross-border energy assets investment manager in the region. In the meantime, the Company also looks for opportunities of investment in other sectors with a view to developing a sustainable corporate strategy to broaden its income stream.

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

FINANCIAL SUMMARY

	Six months ended 30 September	
	2019	2018
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Revenue from sales of goods *(Note 1)*	**86,075**	87,344
Investment income *(Note 2 and Note 4)*	**5,466**	79,054
Subtotal	**91,541**	166,398
Total income from principal business activities, net of cost *(Note 3)*	**43,486**	119,500
EBITDA	**35,583**	115,135
Profit before taxation *(Note 4)*	**5,176**	79,314
Profit for the period	**4,337**	74,842
Basic earnings per share (HK$ per share)	**0.066 cent**	1.230 cent
Diluted earnings per share (HK$ per share)	**0.066 cent**	1.035 cent

	As at 30 September 2019	As at 31 March 2019
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Non-current assets	**2,537,149**	2,606,207
Current assets	**1,422,794**	1,292,562
Total assets	**3,959,943**	3,898,769
Current liabilities	**306,563**	226,514
Non-current liabilities	**136,940**	128,842
Total liabilities	**443,503**	355,356
Net assets	**3,516,440**	3,543,413

Note 1: The revenue from sales of goods for six months ended 30 September of 2018 and 2019 represents the revenue generated from the net sales of crude oil produced by Xilin Gol League Hongbo Mining Development Company Limited* (錫林郭勒盟宏博礦業開發有限公司) ("**Hongbo Mining**"), a wholly-owned subsidiary of the Company.

Note 2: According to accounting policy, the investment income stated here mainly includes (i) the returns from one of the investments regarding upstream oil and gas assets, primarily in the form of interest income (interest at the rate of 8% per annum) and other fair value gain (entitlement to an amount equivalent to 92.5% of the net disposed proceeds) from the term loan (the "**Term Loan**") granted to Stonehold Energy Corporation ("**Stonehold**"), who holds the unconventional shale oil and gas assets in the Eagle Ford core region in the United States ("**U.S.**"), details of which are disclosed in the announcements of the Company dated 15 August 2017, 27 September 2017, and 28 February 2018 and the circular of the Company dated 29 September 2017; and (ii) the net of investment income and losses in the form of fair value gain or loss from other projects.

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Note 3: The total income from principal business activities, net of cost represents the above-mentioned revenue from sales of goods and investment income, net of the cost of sales of goods.

Note 4: The decrease of profit for the period is primarily attributable to the decrease in the investment income generated from the investment (the "**LNGL Investment**") in Liquefied Natural Gas Limited ("**LNGL**") which is measured by using unadjusted quoted price in stock markets. The evolving U.S.-China trade dispute has posed challenge to the LNG industry in the past 12 months and negatively influenced the stock price of most LNG developers, including LNGL. Thus, the significant drop of the stock price of LNGL led to the decrease of the Company's investment income, which declined from a net gain of HK$52.5 million for the six months ended 30 September 2018 to a net loss of HK$67.7 million for the six months ended 30 September 2019 (the "**Reporting Period**"). However, it should be emphasized that the structural opportunities for LNG developers remain unchanged, and the demand for LNG is still growing in Asia and other developing regions. LNGL is working towards the finalization of a significant sale and purchase agreement (the "**SPA**") and a final investment decision of the Magnolia LNG project (the "**Magnolia LNG**").

After deducting the impact from LNGL Investment, the adjusted profit for the period increased from HK$22.3 million for the six months ended 30 September 2018 to HK$72.0 million for the Reporting Period, which is believed to demonstrate that the performance of the invested portfolio of the Company other than the LNGL Investment remains stable. The Board considers that the overall financial position of the Company and its subsidiaries remains sound despite the decrease in investment income for the Reporting Period. The Board will continue to closely review the strategies and operations of the Company and its subsidiaries and make timely adjustments to the business strategy.

OPERATING SUMMARY

	Six months ended 30 September	
	2019	2018
	HK$'000	*HK$'000*
Upstream oil and gas business from Hongbo Mining		
Gross production volume (barrels) *(Note 1)*	**219,342**	191,653
Gross sales volume (barrels) *(Note 1)*	**214,487**	189,034
Net sales volume (barrels)	**171,590**	151,227
Average unit selling price (HK$ per barrel) *(Note 1)*	**502**	578
Average daily gross production volume (barrels)	**1,219**	1,065
Average unit production cost before depreciation and amortisation (HK$ per barrel) *(Note 1)*	**103**	117
Average unit production cost (HK$ per barrel) *(Note 1)*	**219**	245
Wells drilled during the period		
– Dry holes (unit)	**–**	–
– Oil producers (unit) *(Note 2)*	**12**	12
Fracturing workover during the period (unit)	**3**	4
Key investment income		
Stonehold investment *(Note 3)*	**51,878**	46,471
GNL Quebec investment *(Note 3)*	**25,199**	7,009
LNGL investment *(Note 3 and 4)*	**(67,677)**	52,467

Note 1: Hongbo Mining is a subsidiary of the Company engaged in exploration, development, production and sale of crude oil in China. Hongbo Mining's gross production volume was used in the calculation of average unit production cost and average unit production cost before depreciation and amortisation which includes the share of 20% production volume of crude oil to Shaanxi Yanchang Petroleum (Group) Company Limited (Yanchang Oil Mineral Administrative Bureau* (陝西延長石油(集團)有限責任公司(延長油礦管理局)) ("**Yanchang**"). The average unit selling price was calculated using the net sales amount and net sales volume which exclude Yanchang's 20% share in sales. Gross sales volume equals to the net sales volume plus the share of 20% of crude oil attributable to Yanchang.

Note 2: During the Reporting Period, Hongbo Mining had successfully drilled 12 wells which had been completed as at 30 September 2019.

Note 3: Please refer to note 5 of the unaudited financial results and the section headed "Business Review" in this interim results announcement for further information.

Note 4: The Company measured the fair value of the LNGL investment by using unadjusted quoted price in stock markets. Thus, the significant drop of the stock price of LNGL led to the decrease of the investment income, which declined from a net gain of HK$52.5 million for the six months ended 30 September 2018 to a net loss of HK$67.7 million for the Reporting Period.

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FINANCIAL RESULTS

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

for the six months ended 30 September 2019 – unaudited
(Expressed in Hong Kong dollars)

		Six months ended 30 September	
		2019	2018
			(Note)
	Note	***HK$'000***	*HK$'000*
Revenue from sales of goods		**86,075**	87,344
Cost of sales of goods		**(48,055)**	(46,898)
		38,020	40,446
Investment income		**5,466**	79,054
Total income from principal business activities, net of cost	*5*	**43,486**	119,500
Administrative expenses		**(37,524)**	(33,302)
Taxes other than income tax		**(6,859)**	(8,428)
Exploration expenses, including dry holes		**(884)**	(983)
(Loss)/profit before net finance income and taxation		**(1,781)**	76,787
Finance income		**13,780**	15,799
Finance costs		**(6,823)**	(13,272)
Net finance income	*6(a)*	**6,957**	2,527
Profit before taxation	*6*	**5,176**	79,314
Income tax	*7*	**(839)**	(4,472)
Profit for the period		**4,337**	74,842
Earnings per share	*8*		
Basic		**HK$0.066 cent**	HK$1.230 cent
Diluted		**HK$0.066 cent**	HK$1.035 cent

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the six months ended 30 September 2019 – unaudited
(Expressed in Hong Kong dollars)

	Six months ended 30 September	
	2019	2018
		(Note)
	HK$'000	*HK$'000*
Profit for the period	**4,337**	74,842
Other comprehensive income for the period (after tax and reclassification adjustments)		
Items that will not be reclassified to profit or loss:		
Equity investment at FVOCI – net movement in fair value reserve (non-recycling)	**(4,228)**	(10,922)
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of:		
– financial statements of overseas subsidiaries and an associate	**(27,082)**	(46,571)
Other comprehensive income for the period	**(31,310)**	(57,493)
Total comprehensive income for the period	**(26,973)**	17,349

Note: The Group has initially applied HKFRS 16 at 1 April 2019 using the modified retrospective approach. Under this approach, comparative information is not restated. See note 3.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
at 30 September 2019 – unaudited
(Expressed in Hong Kong dollars)

	Note	**At 30 September 2019** *HK$'000*	At 31 March 2019 *(Note)* *HK$'000*
Non-current assets			
Property, plant and equipment		**600,442**	597,163
Construction in progress		**16,120**	18,193
Intangible assets		**24,413**	26,175
Right-of-use assets		**15,491**	–
Lease prepayments		**–**	10,029
Interest in an associate		**39,491**	43,778
Financial assets at fair value through profit or loss	*9*	**1,775,217**	1,836,876
Financial assets at fair value through other comprehensive income		**39,810**	44,038
Other non-current assets		**26,165**	29,955
		2,537,149	2,606,207
Current assets			
Inventories		**6,281**	5,099
Trade receivables	*10*	**43,311**	46,298
Bills receivable	*10*	**2,439**	–
Other receivables	*10*	**15,795**	31,588
Financial assets at fair value through profit or loss	*9*	**21,371**	18,043
Derivative financial instruments		**1,863**	–
Cash and cash equivalents	*11*	**1,331,734**	1,191,534
		1,422,794	1,292,562
Current liabilities			
Trade and other payables	*12*	**226,065**	226,514
Bank and other borrowings		**78,413**	–
Lease Liabilities	*3(c)*	**2,085**	–
		306,563	226,514
Net current assets		**1,116,231**	1,066,048
Total assets less current liabilities		**3,653,380**	3,672,255

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 30 September 2019 – unaudited (continued)
(Expressed in Hong Kong dollars)

	Note	**At 30 September 2019**	At 31 March 2019 *(Note)*
		HK$'000	*HK$'000*
Non-current liabilities			
Convertible bonds	*13*	**47,842**	45,653
Lease liabilities	*3(c)*	**4,230**	–
Deferred tax liabilities		**31,032**	31,770
Provisions		**53,836**	51,419
		136,940	128,842
NET ASSETS		**3,516,440**	3,543,413
CAPITAL AND RESERVES			
Share capital	*14(b)*	**65,959**	65,959
Reserves		**3,450,481**	3,477,454
TOTAL EQUITY		**3,516,440**	3,543,413

Note: The Group has initially applied HKFRS 16 at 1 April 2019 using the modified retrospective approach. Under this approach, comparative information is not restated. See note 3.

NOTES TO THE UNAUDITED INTERIM FINANCIAL INFORMATION

(Expressed in Hong Kong dollars unless otherwise indicated)

1 GENERAL INFORMATION

IDG Energy Investment Limited (the "Company") is an investment holding company, which was incorporated in Bermuda as an exempted company with limited liability and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The Company's registered office is located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and its head office and principal place of business is located at Unit 5507, 55/F., The Center, 99 Queen's Road Central, Hong Kong.

During the six months ended 30 September 2019, the principal activity of the Company is global energy and other assets investment and management. The principal activities of its subsidiaries and invested portfolios consist of upstream oil and gas business, LNG liquefaction and exporting, LNG importing, processing and sales, and LNG logistics services, energy investment fund management as well as investment in energy-related and other industries and businesses.

At 30 September 2019, the directors consider the immediate parent of the Group to be Titan Gas Technology Investment Limited ("Titan Gas"), incorporated in the British Virgin Islands, which is 75.73% held by Titan Gas Technology Holdings Limited. Titan Gas Technology Holdings Limited is owned as to 35.13% by Standard Gas Capital Limited, 49.14% by IDG-Accel China Capital II L.P. and IDG-Accel China Capital II Investors L.P., 8.05% by Mr. Wang Jingbo and 6.87% by Kingsbury International Holdings Co., Ltd., 0.73% by Zhang Weiwei and 0.08% by Bryce Wayne Lee.

2 BASIS OF PREPARATION

This interim financial information has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange including compliance with Hong Kong Accounting Standard (HKAS) 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants (HKICPA). It was authorised for issue on 26 November 2019.

The interim financial information has been prepared in accordance with the same accounting policies adopted in the annual financial statements for the year ended 31 March 2019, except for the accounting policy changes that are expected to be reflected in annual financial statements for the year ending 31 March 2020. Details of any changes in accounting policies are set out in note 3.

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

This interim financial information contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Company and its subsidiaries since the annual financial statements for the year ended 31 March 2019. 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 HKFRSs.

3 CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued a new HKFRS, HKFRS 16, *Leases*, and a number of amendments to HKFRSs that are first effective for the current accounting period of the Group.

Except for HKFRS 16, *Leases*, none of the developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented in this interim financial information. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

HKFRS 16, *Leases*

HKFRS 16 replaces HKAS 17, *Leases*, and the related interpretations, HK(IFRIC) 4, *Determining whether an arrangement contains a lease*, HK(SIC) 15, *Operating leases – incentives*, and HK(SIC) 27, *Evaluating the substance of transactions involving the legal form of a lease*. It introduces a single accounting model for lessees, which requires a lessee to recognise a right-of-use asset and a lease liability for all leases, except for leases that have a lease term of 12 months or less ("short-term leases") and leases of low value assets. The lessor accounting requirements are brought forward from HKAS 17 substantially unchanged.

The Group has initially applied HKFRS 16 as from 1 April 2019. The Group has elected to use the modified retrospective approach and has therefore recognised the cumulative effect of initial application as an adjustment to the opening balance of equity at 1 April 2019. Comparative information has not been restated and continues to be reported under HKAS 17.

Further details of the nature and effect of the changes to previous accounting policies and the transition options applied are set out below:

(a) Changes in the accounting policies

(i) New definition of a lease

The change in the definition of a lease mainly relates to the concept of control. HKFRS 16 defines a lease on the basis of whether a customer controls the use of an identified asset for a period of time, which may be determined by a defined amount of use. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

The Group applies the new definition of a lease in HKFRS 16 only to contracts that were entered into or changed on or after 1 April 2019. For contracts entered into before 1 April 2019, the Group has used the transitional practical expedient to grandfather the previous assessment of which existing arrangements are or contain leases.

Accordingly, contracts that were previously assessed as leases under HKAS 17 continue to be accounted for as leases under HKFRS 16 and contracts previously assessed as non-lease service arrangements continue to be accounted for as executory contracts.

(ii) Lessee accounting

HKFRS 16 eliminates the requirement for a lessee to classify leases as either operating leases or finance leases, as was previously required by HKAS 17. Instead, the Group is required to capitalise all leases when it is the lessee, including leases previously classified as operating leases under HKAS 17, other than those short-term leases and leases of low-value assets. As far as the Group is concerned, these newly capitalised leases are primarily in relation to land and buildings in note 15(b).

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received.

The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses.

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

(b) Transitional impact

At the date of transition to HKFRS 16 (i.e. 1 April 2019), the Group determined the length of the remaining lease terms and measured the lease liabilities for the leases previously classified as operating leases at the present value of the remaining lease payments, discounted using the relevant incremental borrowing rates at 1 April 2019. The incremental borrowing rates used for determination of the present value of the remaining lease payments were from 4.75% to 5.125%.

To ease the transition to HKFRS 16, the Group applied the following recognition exemption and practical expedients at the date of initial application of HKFRS 16:

– The Group elected not to apply the requirements of HKFRS 16 in respect of the recognition of lease liabilities and right-of-use assets to leases for which the remaining lease term ends within 12 months from the date of initial application of HKFRS 16, i.e. where the lease term ends on or before 31 March 2020;

The following table reconciles the operating lease commitments as at 31 March 2019 to the opening balance for lease liabilities recognised as at 1 April 2019:

	1 April 2019 ***HK$'000***
Operating lease commitments at 31 March 2019	5,660
Less: commitments relating to leases exempt from capitalisation:	
– short-term leases with remaining lease term ending on or before 31 March 2020	(495)
	5,165
Less: total future interest expenses	(467)
Present value of remaining lease payments, discounted using the incremental borrowing rate at 1 April 2019	4,698
Add: finance lease liabilities recognised as at 31 March 2019	–
Total lease liabilities recognised at 1 April 2019	4,698

The right-of-use assets in relation to leases previously classified as operating leases have been recognised at an amount equal to the amount recognised for the remaining lease liabilities, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position at 31 March 2019.

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

The following table summarises the impacts of the adoption of HKFRS 16 on the Group's consolidated statement of financial position:

	Carrying amount at 31 March 2019	**Capitalisation of operating lease contracts**	**Carrying amount at 1 April 2019**
	HK$'000	***HK$'000***	***HK$'000***
Line items in the consolidated statement of financial position impacted by the adoption of HKFRS 16:			
Right-of-use assets	–	14,727	14,727
Lease prepayments	10,029	(10,029)	–
Total non-current assets	**2,606,207**	**4,698**	**2,610,905**
Current assets	**1,292,562**	**–**	**1,292,562**
Lease liabilities (current)	–	1,462	1,462
Current liabilities	**226,514**	**1,462**	**227,976**
Net current assets	**1,066,048**	**(1,462)**	**1,064,586**
Total assets less current liabilities	**3,672,255**	**3,236**	**3,675,491**
Lease liabilities (non-current)	–	3,236	3,236
Total non-current liabilities	**128,842**	**3,236**	**132,078**
Net assets	**3,543,413**	**–**	**3,543,413**

(c) Lease liabilities

The remaining contractual maturities of the Group's lease liabilities at the end of the reporting period and at the date of transition to HKFRS 16 are as follows:

	At 30 September 2019		At 1 April 2019	
	Present value of the minimum lease payments	Total minimum lease payments	Present value of the minimum lease payments	Total minimum lease payments
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Within 1 year	2,085	2,138	1,462	1,503
After 1 year but within 2 years	1,342	1,443	1,185	1,276
After 2 years but within 5 years	2,644	3,072	2,051	2,386
After 5 years	244	316	–	–
	4,230	4,831	3,236	3,662
	6,315	6,969	4,698	5,165
Less: total future interest expenses		(654)		(467)
Present value of lease liabilities		6,315		4,698

(d) Impact on the financial result and cash flows of the Group

After the initial recognition of right-of-use assets and lease liabilities as at 1 April 2019, the Group as a lessee is required to recognise interest expense accrued on the outstanding balance of the lease liability, and the depreciation of the right-of-use asset, instead of the previous policy of recognising rental expenses incurred under operating leases on a straight-line basis over the lease term. This results in a positive impact on the reported profit from operations in the Group's consolidated statement of profit or loss, as compared to the results if HKAS 17 had been applied during the year.

In the cash flow statement, the Group as a lessee is required to split rentals paid under capitalised leases into their capital element and interest element. These elements are classified as financing cash outflows rather than as operating cash outflows, as was the case for operating leases under HKAS 17. Although total cash flows are unaffected, the adoption of HKFRS 16 therefore results in a significant change in presentation of cash flows within the cash flow statement.

The following tables may give an indication of the estimated impact of adoption of HKFRS 16 on the Group's financial result and cash flows for the six months ended 30 September 2019, by adjusting the amounts reported under HKFRS 16 in these interim financial statements to compute estimates of the hypothetical amounts that would have been recognised under HKAS 17 if this superseded standard had continued to apply to 2019 instead of HKFRS 16, and by comparing these hypothetical amounts for 2019 with the actual 2018 corresponding amounts which were prepared under HKAS 17.

	2019				2018
	Amounts reported under HKFRS 16	**Add back: HKFRS 16 depreciation and interest expense**	**Deduct: Estimated amounts related to operating leases as if under HKAS 17** ***(note (a))***	**Hypothetical amounts for 2019 as if under HKAS 17**	Compared to amounts reported for 2018 under HKAS 17
	(A)	**(B)**	**(C)**	**(D=A+B-C)**	
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***	*HK$'000*
Financial result for the six months ended 30 September 2019 impacted by the adoption of HKFRS 16:					
(Loss)/profit before net finance income and taxation	**(1,781)**	**748**	**853**	**(1,886)**	76,787
Finance costs	**(6,823)**	**142**	**–**	**(6,681)**	(13,272)
Profit before taxation	**5,176**	**890**	**853**	**5,213**	79,314
Profit for the period	**4,337**	**890**	**853**	**4,374**	74,842

	2019			2018
	Amounts reported under HKFRS 16	**Estimated amounts related to operating leases as if under HKAS 17** ***(notes (a) & (b))***	**Hypothetical amounts for 2019 as if under HKAS 17**	Compared to amounts reported for 2018 under HKAS 17
	(A)	**(B)**	**(C=A+B)**	
	$'000	***$'000***	***$'000***	*$'000*
Line items in the condensed consolidated cash flow statement for the six months ended 30 September 2019 impacted by the adoption of HKFRS 16:				
Cash generated from operations	**37,981**	**(853)**	**37,128**	29,152
Net cash generated from operating activities	**37,981**	**(853)**	**37,128**	29,152
Capital element of lease rentals paid	**(711)**	**711**	**–**	–
Interest element of lease rentals paid	**(142)**	**142**	**–**	–
Net cash generated from/(used in) financing activities	**75,318**	**853**	**76,171**	(55,008)

Notes:

(a) The "estimated amounts related to operating leases" is an estimate of the amounts of the cash flows for the six months ended 30 September 2019 that relate to leases which would have been classified as operating leases, if HKAS 17 had still applied for the six months ended 30 September 2019. This estimate assumes that there were no differences between rentals and cash flows and that all of the new leases entered into for the six months ended 30 September 2019 would have been classified as operating leases under HKAS 17, if HKAS 17 had still applied for the six months ended 30 September 2019. Any potential net tax effect is ignored.

(b) In this impact table these cash outflows are reclassified from financing to operating in order to compute hypothetical amounts of net cash generated from operating activities and net cash used in financing activities as if HKAS 17 still applied.

4 SEGMENT REPORTING

The principal activity of the Company is global energy and other assets investment and management. The principal activities of its subsidiaries and invested portfolios consist of upstream oil and gas business, LNG liquefaction and exporting, LNG importing, processing and sales, and LNG logistics services, energy investment fund management as well as investment in energy-related and other industries and businesses. The most senior executive management regularly review its financial statements as a whole to assess the performance and make resource allocation decisions. Accordingly, no segment information is presented.

The external customer and non-current assets (excluded deferred tax assets, financial instruments and right-of-use assets) are located in the People's Republic of China ("PRC"), which are mainly held by Xilin Gol League Hongbo Mining Development Company Limited 錫林郭勒盟宏博礦業開發有限公司 ("Hongbo Mining").

5 TOTAL INCOME FROM PRINCIPAL BUSINESS ACTIVITIES, NET OF COST

	Six months ended 30 September	
	2019	2018
	HK$'000	*HK$'000*
Revenue from contracts with customers within the scope of HKFRS 15		
– sales of crude oil recognised at point in time *(note (a))*	**86,075**	87,344
Cost of sales of crude oil	**(48,055)**	(46,898)
	38,020	40,446
Investment income *(note (b))*	**5,466**	79,054
Total income from principal business activities, net of cost	**43,486**	119,500

Notes:

(a) Revenue from sales of crude oil is generated by Hongbo Mining, which is a subsidiary of the Company and engaged in exploration, development, production and sale of crude oil in the PRC. The amount represents the sales value of crude oil supplied to the customers, net of value added tax. There is only one major customer with whom transactions have exceeded 10% of the revenue from sales of goods.

(b) Investment income

	Six months ended 30 September	
	2019	2018
	HK$'000	*HK$'000*
Stonehold investment *(note (i))*	**51,878**	46,471
JOVO investment *(note (i))*	**(98)**	(8,392)
GNL Quebec investment *(note (i))*	**25,199**	7,009
Trading securities listed in the U.S. and France *(note (i))*	**(3,283)**	1,184
LNGL investment *(note (i))*	**(67,677)**	52,467
Dividend income *(note (ii))*	**1,585**	1,938
Net realised and unrealised losses on derivative financial instruments *(note (iii))*	**143**	(20,044)
Share of losses of an associate *(note (iv))*	**(2,865)**	–
Others	**584**	(1,579)
	5,466	79,054

Notes:

(i) These amounts represent fair value changes on the Stonehold investment, JOVO investment, GNL Quebec investment, trading securities listed in the U.S. and France, and LNGL investment during the period ended 30 September 2019. Such assets are measured at FVTPL (see note 9), any interest income arising from such assets is included in fair value changes.

(ii) The amount represents the dividend income from equity investment designated as FVOCI.

(iii) The amount represents net changes in the fair value of crude oil price option contracts and crude oil price swap contracts held for risk management purpose. The derivative financial instruments are measured at FVTPL.

(iv) The amount represents share of the associate's profit or loss under equity method.

6 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after crediting:

(a) Net finance income

	Six months ended 30 September	
	2019	2018
	HK$'000	*HK$'000*
Interest income	**13,331**	13,026
Net gain on bank financing products	**449**	915
Changes in fair value on the derivative component of convertible note	**–**	1,858
Foreign exchange loss, net	**(845)**	(1,662)
Interest on bank and other borrowings	**(522)**	–
Interest expenses on convertible bonds and convertible note	**(2,490)**	(10,267)
Interest on lease liabilities	**(142)**	–
Others	**(2,824)**	(1,343)
	6,957	2,527

(b) Other items

	Six months ended 30 September	
	2019	2018
	HK$'000	*HK$'000*
Amortisation	**1,867**	2,300
Depreciation		
– property, plant and equipment	**24,309**	23,254
– right-of-use assets	**1,077**	–
Operating leases charges: minimum lease payments – buildings, under HKAS 17	**–**	209

7 INCOME TAX

	Six months ended 30 September	
	2019	2018
	HK$'000	*HK$'000*
Deferred tax		
– Origination and reversal of temporary differences	**839**	4,472

Pursuant to the rules and regulations of Bermuda and the British Virgin Islands (the "BVI"), the Company and its subsidiaries are not subject to any income tax in Bermuda and the BVI.

Hongbo Mining and other PRC incorporated subsidiaries of the Company are subject to PRC enterprise income tax at the statutory rate of 25%.

Certain Hong Kong incorporated subsidiaries of the Company are subject to Hong Kong Profits Tax which is calculated at 16.5% of the estimated assessable profits.

No provisions for Hong Kong profits tax and PRC enterprise income tax have been made as the Company and its subsidiaries does not have any estimated assessable income arising in Hong Kong or the PRC for both the current and prior period.

8 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of HK$4,337,000 (six months ended 30 September 2018: HK$74,842,000) and the weighted average of 6,595,907,000 ordinary shares (six months ended 30 September 2018: 6,083,709,000 shares) in issue during the interim period.

(b) Diluted earnings per share

No adjustment has been made to the basic earnings per share amounts presented for the six months ended 30 September 2019 in respect of a dilution as the impact of the convertible bonds had an anti-dilutive effect on the basic earnings per share amounts presented.

The calculation of diluted earnings per share for the period ended 30 September 2018 is based on the profit attributable to ordinary equity shareholders of the Company of HK$77,901,000 and the weighted average number of 7,524,669,000 ordinary shares.

9 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	At 30 September 2019	At 31 March 2019
	HK$'000	*HK$'000*
Non-current assets		
Stonehold investment *(note (a))*	**1,490,979**	1,510,062
JOVO investment *(note (b))*	**138,056**	138,154
GNL Quebec investment *(note (c))*	**71,120**	45,921
LNGL investment *(note (d))*	**75,062**	142,739
	1,775,217	1,836,876
Current assets		
Trading securities listed in the U.S. and France	**8,067**	8,689
Bank financing products	**13,304**	9,354
	21,371	18,043

Notes:

(a) On 14 August 2017 (local time in Houston, Texas, the U.S.), the Company and Think Excel Investments Limited ("Think Excel"), a wholly-owned subsidiary of the Company, entered into a credit agreement (the "Credit Agreement") with Stonehold Energy Corporation ("Stonehold"), pursuant to which, the Company and Think Excel have conditionally agreed to grant a Term Loan to Stonehold (the "Stonehold investment") for the purpose of financing the acquisition of certain oil and gas related assets (the "Target Assets") and the subsequent operations of such assets by Stonehold. On the same date Stonehold entered into an acquisition agreement (the "Acquisition Agreement") with Stonegate Production Company, LLC (the "Stonegate"), pursuant to which, Stonegate has conditionally agreed to sell and Stonehold has conditionally agreed to purchase the Target Assets. All Target Assets are oil and gas assets owned by Stonegate as a non-operator.

On 26 September 2017 (local time in Houston, Texas, the U.S.), the initial payment of the Term Loan with an amount of US$165.0 million (approximately HK$1,291.1 million) under the Credit Agreement has been released to Stonehold and the acquisition of the Target Assets by Stonehold from Stonegate has also been consummated in accordance with the terms of the Acquisition Agreement, and a subsequent payment of the Term Loan with an amount of US$5.0 million (approximately HK$39.0 million) has been released to Stonehold on 22 November 2017. Under the Credit agreement, the Stonehold investment is interest bearing at a rate of 8% per annum (after the making of or the allocation of any applicable withholding tax), provided that an amount equal to 92.5% of the remainder cash proceeds received or recovered by Stonehold in respect of any disposal of the Target Assets after deducting outstanding principals and interests pursuant to the Credit Agreement, as well as fees, costs and expenses reasonably incurred by Stonehold with respect to such disposal, if applicable, be distributed to the Company and Think Excel, as additional interest to the Stonehold investment. The maturity date of Stonehold investment is 10 years after the initial payment of the Stonehold investment.

Stonehold holds the unconventional shale oil and gas assets in the Eagle Ford core region in the U.S.

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

JOVO is a limited liability company incorporated in the PRC which engages in clean energy businesses, including importing, processing and sale of LNG and LPG.

(c) On 30 November 2017, Golden Libra Investment Limited ("Golden Libra"), a wholly-owned subsidiary of the Company, entered into an agreement of purchase and sale with an investment fund for purchasing its interests in LNG Quebec Limited Partnership (the "GNL Quebec") at the purchase price of US$3.15 million (equivalent to approximately HK$24,633,000). The completion of the acquisition took place on 7 February 2018. On 26 July 2018, Golden Libra invested another US$1 million (equivalent to approximately HK$7,800,000) in GNL Quebec to support ongoing development.

GNL Quebec, through its wholly-owned subsidiary GNL Quebec Inc., is developing a state-of-the-art and low-carbon-emission LNG exporting terminal with a maximum nameplate liquefaction capacity of up to eleven million tons per annum.

(d) On 2 June 2018, the Company entered into a subscription agreement with Liquefied Natural Gas Limited ("LNGL"), which is listed in Australia, pursuant to which the Company has agreed to subscribe for, and LNGL has agreed to issue, 56,444,500 ordinary shares of LNGL at an aggregate subscription price of A$28.2 million (equivalent to approximately HK$166.8 million). Upon completion of the subscription, the Company held 9.9% of the equity interests in LNGL and became the second largest shareholder of LNGL. The completion of the subscription took place on 13 June 2018.

LNGL owns and operates a fully permitted greenfield LNG export terminal, the Magnolia LNG project, in Louisiana of the U.S., with planned capacity of 8 mmtpa or greater and recognized as one of the most viable LNG projects in the U.S..

10 TRADE AND OTHER RECEIVABLES

	At 30 September 2019 *HK$'000*	At 31 March 2019 *HK$'000*
Within 1 month	**18,970**	24,344
1 to 6 months	**24,341**	21,954
Trade receivables	**43,311**	46,298
Bills receivable	**2,439**	–
Other receivables	**7,390**	10,900
Prepayment to suppliers	**8,405**	17,698
Dividends receivable from financial instruments measured at FVTPL	**–**	2,990
	61,545	77,886

11 CASH AND CASH EQUIVALENTS

	At 30 September 2019 *HK$'000*	At 31 March 2019 *HK$'000*
Deposit with banks	**865,186**	1,002,259
Cash at bank and in hand	**466,548**	189,275
	1,331,734	1,191,534

12 TRADE AND OTHER PAYABLES

	At 30 September 2019 *HK$'000*	At 31 March 2019 *HK$'000*
Within 1 year	**65,891**	45,604
Over 1 year but within 2 years	**14,646**	24,654
Over 2 years but within 3 years	**4,429**	9,738
Over 3 years	**11,019**	7,901
Trade payables	**95,985**	87,897
Taxes other than income tax	**12,895**	15,568
Guarantee deposit	**38,802**	40,803
Payable due to Shanxi Yanchang Petroleum (Group) Company Limited (Yanchang Oil Mineral Administrative Bureau) ("Yanchang")	**62,392**	63,792
Others	**15,991**	18,454
	226,065	226,514

13 CONVERTIBLE BONDS

As at 29 July 2016, the convertible bonds originally had a total nominal value of HK$120,000,000 and interest at 1% per annum which were payable half year in arrears. The convertible bonds were convertible into the Company's ordinary shares at a conversion price of HK$0.0672 per share at any time before 30 April 2018.

The convertible bonds have been accounted for as compound financial instruments containing an equity component and a liability component. The liability component was initially measured at fair value of HK$114,208,000 at discount rate of 4.12% per annum and carried at amortised cost.

On 15 August 2017, the Company entered into a deed of amendment with Titan Gas, one holder of the convertible bonds, to further extend the maturity date of the convertible bond with nominal value of HK$96,832,526 from 30 April 2018 to 30 April 2022, and to remove certain adjustment events to the conversion price.

The modification resulted in the extinguishment of the financial liability of the convertible bond and the recognition of new financial liability and equity component. The fair value of the new financial liability regarding the convertible bond revised portion immediately following the modification was approximately HK$63,421,000. The fair value of the liability component was determined by discounted cash flows over the remaining terms of the convertible bond at an effective interest rate of 10.88% per annum.

On 25 September 2017, Tanisca Investment Limited, another holder of the convertible bond, exercised the conversion rights to convert all the convertible bond held with the nominal value of HK$23,167,474 into 344,754,077 ordinary shares.

On 22 August 2018, Titan Gas transferred part of the convertible bonds to three entities with the nominal value of HK$16,832,526.

On 18 October 2018 and 17 December 2018, convertible bond holders exercised the conversion rights to convert their convertible bond with the nominal value of HK$18,432,526 and HK$18,400,000, into 274,293,540 and 273,809,523 ordinary shares respectively. At 30 September 2019, the remaining convertible bond with nominal value of HK$60,000,000 was solely held by Titan Gas.

14 CAPITAL, RESERVES AND DIVIDENDS

(a) Dividends

No dividends were paid, declared or proposed during the six months ended 30 September 2019 and 2018.

(b) Share capital

	Ordinary shares		Preferred shares		Total	
	Number of shares '000	*Nominal value HK$'000*	*Number of shares '000*	*Nominal value HK$'000*	*Number of shares '000*	*Nominal value HK$'000*
Shares of HK$0.01 each						
Authorised:						
At 1 April 2018, 31 March 2019 and 30 September 2019	11,000,000	110,000	5,000,000	50,000	16,000,000	160,000
Issued, paid or payable:						
At 1 April 2018	6,094,404	60,944	–	–	6,094,404	60,944
Purchase of own shares *(note (i))*	(46,600)	(466)	–	–	(46,600)	(466)
At 30 September 2018	6,047,804	60,478	–	–	6,047,804	60,478
Conversion of convertible bond *(note 13)*	548,103	5,481	–	–	548,103	5,481
At 31 March 2019 and 30 September 2019	6,595,907	65,959	–	–	6,595,907	65,959

Notes:

(i) During the six months ended 30 September 2018, total number of 46,600,000 ordinary shares have been repurchased by the Company.

15 COMMITMENT

(a) Capital commitment outstanding not provided for in the interim financial information is as follows:

	At 30 September 2019 ***HK$'000***	At 31 March 2019 *HK$'000*
Contracted, but not provide for:		
– property, plant and equipment	**5,570**	26,503

(b) At 31 March 2019, the total future minimum lease payments under non-cancellable operating leases were payable as follows:

	At 31 March 2019 *HK$'000*
Within 1 year	1,975
After 1 year but within 5 years	3,685
	5,660

The Group is the lessee in respect of a number of buildings under leases which were previously classified as operating leases under HKAS 17. The Group has initially applied HKFRS 16 using the modified retrospective approach. Under this approach, the Group adjusted the opening balances at 1 April 2019 to recognise lease liabilities relating to these leases (see note 3). From 1 April 2019 onwards, future lease payments are recognised as lease liabilities in the statement of financial position in accordance with the policies set out in note 3.

16 MATERIAL RELATED PARTY TRANSACTIONS

(a) Key management personnel remuneration

Remuneration for key management personnel, including amounts paid to directors and certain of the highest paid employees, is as follows:

	Six months ended 30 September	
	2019 ***HK$'000***	2018 *HK$'000*
Short-term employee benefits	**3,766**	4,324
Post-employment benefits	**86**	122
	3,852	4,446

(b) Transactions with other related parties

Apart from the transactions disclosed elsewhere in this interim financial information, there were following material transactions with related parties during the reporting period.

	Six months ended 30 September	
	2019	2018
	HK$'000	*HK$'000*
With the immediate holding company		
– increase in interest payable on convertible bonds *(note (i))*	**301**	468
– interest paid on the convertible bonds	**(406)**	–

Note:

(i) Interest on the convertible bonds was payable to Titan Gas at 1% per annum. As at 30 September 2019, Titan Gas held the Company's convertible bonds with principal amount of HK$60,000,000. Details of the transaction and the terms of the convertible bonds were disclosed in note 13.

The outstanding balances with related parties are as follows:

	At 30 September 2019	At 31 March 2019
	HK$'000	*HK$'000*
Trade and other payables		
– immediate holding company	**40**	145
Convertible bonds (liability component)		
– immediate holding company	**47,842**	45,653

BUSINESS REVIEW

The principal activities of the Company and its subsidiaries

The Company is an investment holding company and its principal activity is global energy and other assets investment and management. The principal activities of its subsidiaries and invested portfolios consist of upstream oil and gas business, LNG liquefaction and exporting, LNG importing, processing and sales, and LNG logistics services, energy investment fund management as well as investment in energy-related and other industries and businesses.

Summary of key investment portfolios

1. *Investment in upstream crude oil assets*

The Company had made an acquisition of an upstream crude oil asset in 2016 at favourable costs and completed the investment in another upstream shale oil project in 2017. Benefiting from the operation improvement and recovering of oil prices, the net present value of the oilfield assets increased significantly.

1.1 Hongbo Mining Investment

Hongbo Mining, one of the upstream portfolios, is the Company's wholly-owned subsidiary and is engaged in exploration, development, production and sale of crude oil in China. The Company completed the acquisition of Hongbo Mining in July 2016 at the consideration of RMB558.88 million (equivalent to approximately HK$652 million) (the "**Hongbo Mining Acquisition**").

Under the exploration and production cooperation contract entered into between Hongbo Mining and Yanchang, Yanchang (as the mineral right owner) and Hongbo Mining (as the operator) cooperate to explore for crude oil in Block 212 and Block 378 which together cover a region of 591 km^2 in Inner Mongolia; and Hongbo Mining and Yanchang are entitled to 80% and 20% of the sale proceeds (net of any sales related taxes), respectively. Block 212 had obtained from the Ministry of Land and Resources of the People's Republic of China a 15-year valid production permit covering Unit 2, Unit 19 and other areas in Block 212 in May 2017. Besides, Block 212 and Block 378 are entitled to exploration permit which are renewable for a term of two years after expiration.

In the first three quarters of 2019, international oil prices continued to fluctuate. In the first quarter, in the wake of the implementation of the cut-off agreement by the Organization of Petroleum Exporting Countries (OPEC), Brent crude oil prices rebounded from the lows in 2018 and continued to rise, reaching a half-year high of US$71.48 per barrel in late April 2019. From there on, due to the combined effects of world crude oil supply and demand fundamentals (especially the growth of US shale oil production and export volume), geopolitics and trade factors, international oil prices have been slightly declined from the early growth and that showed a wide flotation trend. During the Reporting Period, Brent average spot price was US$63.53

per barrel. In 2018, Hongbo Mining had carried out appraisal on wells in the newly discovered reserves. Based on the exploration and appraisal in previous year, Hongbo Mining continued to complete the well pattern in the new area to increase the control degree of reserves in 2019, and gradually explore the proved reserve surrounded area to expand the exploration achievement and reserves storage. Hongbo Mining drilled 12 wells during the Reporting Period (including 1 well, the drilling of which began at the end of March 2019), all of which were successfully completed and had achieved the anticipated target formations with a success rate of 100%. As of 30 September 2019, all of the production wells, reserves and resources estimated by Hongbo Mining are located in Block 212.

As a result, during the Reporting Period, Hongbo Mining's oil production volume increased by approximately 14.5% to approximately 219,342 barrels; gross and net oil sales volume increased by approximately 13.5% to approximately 214,487 barrels and 171,590 barrels, respectively. Although the average oil price for the Reporting Period decreased comparing with the same period of last year, the gross revenue (equals to the net revenue from sale of crude oil plus the share of 20% crude oil attributable to Yanchang) and net revenue from sales of crude oil recorded in RMB increased by approximately 3.4% from approximately RMB91.7 million and RMB73.4 million to approximately RMB94.8 million and RMB75.9 million, respectively. However, due to the unfavorable changes in the exchange rate of the RMB against the Hong Kong dollar, the gross revenue and net revenue from sales of crude oil reported in HKD decreased by approximately 1.5% to approximately HK$107.6 million and HK$86.1 million, respectively, as compared with the six months ended 30 September 2018.

Due to continuous cost control and performance improvement, the average unit production cost decreased by HK$26 per barrel, or approximately 10.6%, from approximately HK$245 per barrel (equivalent to US$31.2 per barrel) for the six months ended 30 September 2018 to approximately HK$219 per barrel (equivalent to US$28.0 per barrel) for the Reporting Period. And the average unit production cost before depreciation and amortization decreased by HK$14 per barrel, or approximately 12.0%, from HK$117 per barrel (equivalent to US$15 per barrel) for the six months ended 30 September 2018 to HK$103 per barrel (equivalent to US$13.2 per barrel) for the Reporting Period.

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

	Six months ended 30 September	
	2019	2018
Average daily gross production volume (barrels)	**1,219**	1,065
Average daily gross sales volume (barrels)	**1,192**	1,050
Average unit production cost before depreciation and amortisation (HK$ per barrel)	**103**	117
Average unit production cost (HK$ per barrel)	**219**	245
Average unit selling price (HK$ per barrel)	**502**	578

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

	Summary of expenditures incurred for six months ended 30 September			
	2019		2018	
	Number	**Cost** *(HK$'000)* **(Unaudited)**	Number	Cost *(HK$' 000)* (Unaudited)
Wells drilled during the year				
Oil producers *(Note)*	**12**	**50,117**	12	58,780
Total	**12**	**50,117**	12	58,780
Fracturing workover	**3**	**2,136**	4	1,791
Geological and geophysical costs	**–**	**884**	–	983

Note: During the Reporting Period, Hongbo Mining had successfully drilled 12 wells (including 1 well, the drilling of which began at the end of March 2019). As at 30 September 2019, all the 12 wells had been completed.

1.2 Stonehold Investment

The Company had widened its global footprint in the upstream oil sector by successfully completing the investment in Stonehold in September 2017.

Stonehold holds certain world-class unconventional shale oil and gas assets, covering approximately 23,754 gross acres (9,090 net acres) across Dimmit and La Salle counties in the Eagle Ford region of South Texas of the U.S.. The area of the target assets (the "**Target Assets**") is liquid-rich, and most of the reserves are crude oil and natural gas liquid. Based on the information provided by Stonehold, the Target Assets consist of 200 producing wells currently, and the total net production and revenue of the Target Assets for the first half of 2019 were approximately 488,000 boe[Note] and US$22.2 million, respectively.

On 14 August 2017 (local time in Houston, Texas, the U.S.), the Company and Think Excel Investments Limited ("**Think Excel**"), a wholly-owned subsidiary of the Company, entered into the credit agreement (the "**Credit Agreement**") with Stonehold, pursuant to which, the Company and Think Excel have conditionally agreed to grant the Term Loan to Stonehold for the purpose of financing the acquisition of the Target Assets and the subsequent operations of such assets by Stonehold. Stonehold is a company wholly owned and solely controlled by Breyer Capital L.L.C.. The principal amount of the Term Loan shall not exceed (i) the initial payment with an amount of US$165.0 million (approximately HK$1,291.1 million) on 26 September 2017; (ii) thereafter, US$10 million (approximately HK$78.3 million); and (iii) any guarantee payment made by the Company and Think Excel to Stonehold in respect of the senior debt to be obtained from commercial bank(s). The unpaid principal amount from time to time shall bear interest at the rate of 8% per annum (after the making of or the allocation of any applicable withholding tax), with an additional interest of an amount equal to 92.5% of the disposal proceeds received or recovered by Stonehold in respect of disposal of the Target Assets after deducting outstanding principals and interests as well as relevant fees and expenses. The Term Loan shall be payable to the Company and Think Excel in full on the maturity date, which falls 10 years after 26 September 2017.

On the same date of the Credit Agreement, Stonehold entered into an acquisition agreement (the "**Acquisition Agreement**") with Stonegate Production Company, LLC ("**Stonegate**"), pursuant to which, Stonegate has conditionally agreed to sell and Stonehold has conditionally agreed to purchase the Target Assets. All Target Assets are non-operated oil and gas assets of Stonegate (the "**Stonegate Acquisition**").

On 26 September 2017 (local time in Houston, Texas, the U.S.), the initial payment of the Term Loan with an amount of US$165.0 million (approximately HK$1,291.1 million) under the Credit Agreement was released to Stonehold and the acquisition of the Target Assets by Stonehold from Stonegate was consummated in accordance with the terms of the Acquisition Agreement, and a subsequent payment of the Term Loan with an amount of US$5.0 million (approximately HK$39.0 million) has been released to Stonehold on 22 November 2017.

Starting from 2018, oil market has shown a very positive sign of recovery with global inventory dropping below 5-year average. With the demand getting close to 100mbbl/day, the Company believes that the market has shifted into a balanced state with steadily rising price, which will create great value for upstream assets globally. Accordingly, Stonehold drilled more wells following the uprising oil price and effectively controlled the operation cost in order to turn more proved undeveloped ("**PUD**") reserves to proved developed producing ("**PDP**") reserves. Based on the information provided by Stonehold, efficient cost control has resulted in a cash cost, which includes all operating costs and general administrative expenses of below US$15 per boe for the Target Assets during the first half of 2019.

The income generated from the Term Loan in the form of interest income has provided the Company with a stable and considerable revenue of an amount of US$6.8 million for the Reporting Period. In addition, the Company believes that any increase in the reserve and valuation of the Target Assets may increase the expected returns for the Shareholders upon disposal of the Target Assets by Stonehold in the future in an amount equivalent to 92.5% of any net disposal proceeds which will go to the Company under the Credit Agreement.

For details of the Term Loan and the Credit Agreement, please refer to the announcements of the Company dated 15 August 2017, 27 September 2017 and 28 February 2018, and the circular of the Company dated 29 September 2017 published on the website of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") (http://www.hkexnews.hk/).

Note: The barrel of oil equivalent, an energy unit based on the level of energy released by one barrel of crude oil.

2. *Investment regarding LNG business along the value chain*

The Company, through its subsidiaries, has also made reasonable expansion of the business portfolio and business model in order to capture the market opportunities and dynamics.

The natural gas market in China is still very robust, with total consumption for the first nine months in 2019 growing by 10.3% to 223 billion cubic meters, which is in line with the Company's estimate. In addition, with low JKM LNG price and gas supply from Russia coming into play this year, the natural gas market in China will become more dynamic. The Company believes that some of its portfolio companies will benefit from current market situation. The Company will continuously look for opportunities in the natural gas market in China.

2.1 JOVO Investment

On 28 July 2017, Valuevale Investment Limited, a wholly-owned subsidiary of the Company, completed the subscription of shares allotted and issued by Jiangxi Jovo Energy Company Limited* (江西九豐能源有限公司) ("**JOVO**"), which is principally engaged in clean energy businesses, including importing, processing and sale of LNG and liquefied petroleum gas ("**LPG**") in China, at the consideration of RMB100 million (equivalent to approximately HK$115.2 million).

JOVO's operational performance is very robust in 2019, as its flexibility in supply help it to capture the value from spot market. Since the JKM price is very depressed for the first nine months in current year, the Company believes that JOVO can utilize this advantage to expand its downstream customer base and deliver better financial results by the end of the year.

JOVO is still in the process of filing for its initial public offering (the "**IPO**") in China, which the Company believes will provide JOVO more capital to grow and deliver a good financial return for its investors. According to the information provided by JOVO, JOVO plans to use the proceeds from the IPO to purchase two state-of-art mid-size LNG vessels. This will further expand its LNG business in terms of volume and coverage area, and will place JOVO in a very competitive position in a more flexible LNG trading world.

The Company strongly believes that JOVO's performance is in line with its expectation and the high demand of gas supply in China will keep JOVO growing at a high speed. Additionally, being internationally recognized, JOVO is expanding its business to South East Asian region and trying to apply its successful business model over there.

* *For identification purposes only*

2.2 GNL Quebec Investment

On 30 November 2017, the Company, through its subsidiary, entered into an agreement of purchase and sale with an investment fund for purchasing its interests in LNG Quebec Limited Partnership ("**GNL Quebec**") at the purchase price of US$3.15 million (equivalent to approximately HK$24,633,000). On 26 July 2018, the Company made a subsequent investment of US$1 million (equivalent to approximately HK$7,800,000) to support the project's ongoing development. The Company holds minority interest in GNL Quebec as of 31 September 2019.

According to the information provided by GNL Quebec, GNL Quebec, through its wholly-owned subsidiary, is developing a state-of-the-art and low-carbon-emission LNG exporting terminal (the "**Terminal**") project with a maximum nameplate liquefaction capacity of up to 11 million tons per annum, which is one of the largest Canadian LNG export terminals under development, and a 750-km natural gas pipeline (the "**Pipeline**") to connect the Terminal to TransCanada's Canadian Mainline in Eastern Ontario (together the "**Project**"). The Terminal is designed to receive, liquefy and export up to 1.55 billion standard cubic feet of natural gas per day (equivalent to approximately 15.4 billion cubic meters per year) from gas supply sources in North America and is well-located to deliver cost-competitive LNG to Asia, Europe and South America, etc. During the Reporting Period, the fourth round of financing of the project achieved significant progress, and the first closing of the fourth round of financing was completed, which was approximately US$21 million.

During the Reporting Period, GNL Quebec is continuously making progress on the key milestones to increase its momentum and advance towards a final investment decision ("**FID**") of the Terminal project. GNL Quebec also continued to advance its core priorities around stakeholder engagement, technical/regulatory advancement, upstream gas supply sourcing and downstream LNG marketing engagement.

GNL Quebec remains on-track to obtain required permits for a LNG plant to achieve preliminary work decisions for the plant in the second half of 2020 and followed by early construction work, and a full notice to proceed with FID planned for the second half of 2021. In respect to the natural gas supply, the Canadian current natural gas market conditions and forecast, together with gas transportation cost, are moving in favour of increasing cost competitiveness for the Project. GNL Quebec is also very active in marketing their products in Europe and Asia, since the Project is uniquely located in the east coast of Canada, which attracts interested buyers from Europe. GNL Quebec is carefully evaluating different pricing models in order to meet customers' needs while securing good return for investors.

2.3 LNGL Investment

On 13 June 2018, the Company, through its subsidiary, completed the subscription for 56,444,500 shares allotted and issued by LNGL, a company principally engaged in developing LNG export terminal projects in the U.S. and in Canada, at an aggregate subscription price of A$28.2 million (equivalent to approximately HK$166.8 million). Upon completion of the LNGL Investment, the Company held a 9.9% equity interest in LNGL and became its second largest shareholder.

Continued strong growth in shale gas production has driven U.S. domestic natural gas prices to a 15-year low, sparking a surge of interest in U.S. LNG export investment. In 2018, buyers returned to making commitments to long-term supply from new LNG projects underpinning hopes for U.S. LNG liquefaction FIDs. But just as U.S. LNG projects primed for FID declaration, global demand growth began to wane, the U.S.-China trade tension escalated and global competition for delivery of new LNG supply in the 2020s intensified. As a result, the pronounced business advantages and development timeline lead once held by U.S. liquefaction developers in global competition have lessened.

During the Reporting Period, LNGL achieved important milestones that bring Magnolia LNG closer to a FID. These milestones include state government approval of Louisiana Industrial Tax Exemption, 0.8 mtpa capacity increase for Magnolia LNG (annual capacity now reaching 8.8 mtpa), and the execution of an updated legally binding lump-sum turnkey (LSTK) fully wrapped EPC contract with the KBR-SKE&C joint venture (KSJV). LNGL signed a Memorandum of Agreement (MOA) with the Nova Scotia Construction Labour Relations Association Limited (CLRA) and Cape Breton Building and Construction Trades ensuring access to the skilled workforce needed for Bear Head LNG Project ("**Bear Head LNG**"), which is a proposed 8-12 mtpa LNG export terminal on a 327-acre site in Point Tupper, Richmond County, Nova Scotia, located on the naturally deep, ice-free waters of the Strait of Canso).

On 16 September 2019, LNGL jointly announced an alliance with Delta Offshore Energy Pte Ltd ("**DeltaOE**") and the Bac Lieu Provincial Government in Vietnam to deliver an LNG-to-power project for the Bac Lieu Province. The DeltaOE-led power project includes the construction and operation of an LNG import terminal, a 3,200-megawatt combined-cycle power plant and delivery of power generation to the Bac Lieu Province. The integrated project is expected to commence operations in 2023 pending finalization of anticipated government approvals and declaration of FID. According to the memorandum of understanding which recorded the agreed upon term sheet (the "**Term Sheet**") regarding the integrated project, Magnolia LNG LLC ("**Magnolia**"), LNGL's 100% owned project company, and DeltaOE are obligated to use reasonable efforts to negotiate and agree the binding terms and conditions of the SPA by 31 May 2020. Under the terms of the proposed SPA detailed in the Term Sheet, Magnolia will supply two (2) million tonnes per annum ("**mtpa**") of LNG to DeltaOE for a term of at least 20 years. The proposed volume of 2 mtpa represents 22.73% of Magnolia's current annual capacity of 8.8 mtpa. Execution of the SPA will take place once the SPA terms are finalized and agreed and once DeltaOE obtains the necessary government and regulatory approvals for the project contemplated thereunder.

However, the evolving U.S.-China trade dispute has posed challenge to the LNG industry in the past 12 months and negatively influenced the stock price of most LNG developers, including LNGL. During the Reporting Period, the drop of the stock price of LNGL led to the decrease of the Company's investment income generated from the LNGL Investment. However, it should be emphasized that the structural opportunities for LNG developers remain unchanged, and the demand for LNG is still growing in Asia and other developing regions. LNGL continues to focus on signing sufficient investment-grade offtake agreements to take FID, and move to financial close, construction, and operation of Magnolia LNG and then Bear Head LNG. Although the market is oversupplied, the Company believes that the Magnolia project is very market-competitive in terms of pricing.

2.4 JUSDA Energy Investment

On 25 September 2018, the Company, through one of its wholly-owned subsidiaries, has entered into an agreement for a joint venture (the "**JV Agreement**") with JUSDA Supply Chain Management International CO., LTD. (準時達國際供應鏈管理有限公司) ("**JUSDA**") and the management team (the "**Management**"), in relation to the formation of JUSDA Energy Technology (Shanghai) Co Ltd. (準時達能源科技（上海）有限公司) ("**JUSDA Energy**"), to be engaged in LNG logistics services. The Company made contribution of HK$43,937,000 to JUSDA Energy pursuant to the JV Agreement and the completion of such investment took place on 21 December 2018. The Company will hold a 39% equity interest upon completion of all equity contribution in JUSDA Energy.

JUSDA Energy has been progressing on developing new business in and outside of China in 2019. JUSDA Energy has established business relationship with multiple Chinese companies, and has signed a favourable long-term contract with an important gas company to help it to distribute its LNG in China. In addition, JUSDA Energy has signed a memorandum of understanding with a Japanese company to utilize JUSDA Energy's LNG receiving terminal to transfer and distribute LNG. The Company believes that JUSDA Energy's unique business model targets a specialized market; together with its operational ability, JUSDA Energy will extend its business to different regions.

JUSDA Energy will benefit from the extensive network of natural gas resources of the Company, which will give its customers access to LNG resources in the North America and the Asia Pacific Region. JUSDA, as the sole logistics chain management platform designated under Foxconn Technology Group, has a wide container transportation network and strong bargaining power among the industry, which will provide strong support to JUSDA Energy in improving its LNG logistics services and reducing relevant costs.

The Company believes the existing investments perfectly match the business strategy of the Company and have achieved the first step of the key layout of natural gas import and export, and will bring the Company not only good financial returns but also great competitive advantages to participate in the opportunity of satisfying the rapidly growing need for natural gas in China.

Although the global LNG market is slightly muted at the moment, the Company believes that the low-price environment will help the market to grow. The Company will continue to look for opportunities to invest in natural gas projects with an emphasis on downstream.

For details of the above transactions, please refer to the Company's voluntary announcements dated 17 July 2017, 31 July 2017, 8 February 2018, 4 June 2018, 13 June 2018, 25 September 2018 and 24 December 2018 published on the website of the Stock Exchange (http://www.hkexnews.hk).

Management of Energy Investment Fund

On 20 November 2018, as a significant step and part of its principal activity of global energy assets investment and management, the Company and its subsidiary set foot in energy investment funds management through entering into a framework agreement (the "**Framework Agreement**") with Yantai Jereh Petroleum Service Group Co., Ltd.* (煙台傑瑞石油服務集團股份有限公司) ("**Jereh**"), for cooperation on the establishment, operation and management of an energy investment fund (the "**Energy Investment Fund**"). Jereh, listed on the Shenzhen Stock Exchange (Stock code: 002353), is an international group specializing in equipment manufacturing, oil and gas engineering and construction and oilfield technology services.

Hengqin Harmony Rongtai Investment Management Limited* (橫琴和諧榮泰投資管理有限公司) ("**Rongtai Investment Management**"), incorporated in the PRC and a wholly-owned subsidiary of the Company, will be responsible for the operation and management of the Energy Investment Fund, including fund raising, investments and information disclosure, etc. Rongtai Investment Management is a private equity and venture capital fund manager registered with the Asset Management Association of China (中國證券投資基金業協會) specializing in private equity fund establishment and investment management in the energy industry.

The Energy Investment Fund will be primarily focusing on investments along China's natural gas value chain as well as other energy-related industries. Pursuant to the Framework Agreement, the expected size of the Fund is RMB3 billion to RMB5 billion, where Jereh, as a cornerstone investor, proposes to make a capital contribution of RMB1 billion, subject to the entering into of formal fund documents by Jereh and other prospective investors and the completion of all approval procedures by Jereh pursuant to applicable laws and constitutional documents.

The establishment of the Energy Investment Fund will allow both parties to explore projects with promising investment returns in energy industries. The Company believes that Jereh's in-depth knowledge in energy related industries will help the Energy Investment Fund to maximize returns of investments. And the Company will expand its energy investment fund management, which can zoom in the scale of energy investment and create various type of revenue for the Shareholder.

For details of the above transaction, please refer to the announcement of the Company dated 30 November 2018 published on the website of the Stock Exchange (http://www.hkexnews.hk).

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Use of proceeds from the Subscription

On 29 July 2016, the Company completed the reverse takeover transaction (the "**RTO**", as defined in the circular of the Company dated 29 June 2016 (the "**RTO Circular**")) which involved, among others, a subscription of certain ordinary shares (the "**Ordinary Shares**") and preferred shares (the "**Preferred Shares**") of the Company by Titan Gas Technology Investment Limited ("**Titan Gas**") and other subscribers (the "**Subscription**").

The following table summarizes the intended use of proceeds and the actual use of proceeds in respect of the Subscription as at 30 September 2019.

Transaction	**Gross proceeds** *HK$ million*	**Amount received as at 30 September 2019** *HK$ million*	**Amount receivable as at 30 September 2019** *HK$ million*	**Intended use of proceeds as disclosed in the RTO Circular**	**Intended use of proceeds (after the change as announced on 8 March 2017 and the further change as announced on 27 September 2017)**	**Actual use of proceeds as at 30 September 2019**
Subscription	2,690	2,626 *(Note 1)*	Nil *(Note 1)*	– approximately HK$60 million for the payment of the transaction expenses;	– approximately HK$66 million for the payment of the transaction expenses;	– approximately HK$66 million was used to settle the payment of the transaction expenses;
				– approximately HK$665 million for the payment of the consideration for the acquisition of the entire equity interest of Hongbo Mining;	– approximately HK$652 million for the payment of the consideration for the Acquisition;	– approximately HK$652 million was used to settle the payment of the consideration for the Acquisition;
				– approximately HK$400 million to finance the repayment of Hongbo Mining's outstanding payables and borrowings;	– approximately HK$400 million to finance the repayment of Hongbo Mining's outstanding payables and borrowings;	– approximately HK$400 million was used for repayment of Hongbo Mining's outstanding payables and borrowings;

Transaction	Gross proceeds *HK$ million*	Amount received as at 30 September 2019 *HK$ million*	Amount receivable as at 30 September 2019 *HK$ million*	Intended use of proceeds as disclosed in the RTO Circular	Intended use of proceeds (after the change as announced on 8 March 2017 and the further change as announced on 27 September 2017)	Actual use of proceeds as at 30 September 2019
				– approximately HK$800 million to finance the development plan of the currently explored areas in Block 212;	– approximately HK$800 million to finance the development plan of the currently explored areas in Block 212 (Notes 1 and 2);	– approximately HK$194 million was used for the development work in Block 212 (Note 1);
				– approximately HK$450 million for exploration and development of other areas in Block 212;	–	–
				– approximately HK$115 million to finance the operating expenses of Hongbo Mining as well as the Company and its subsidiaries; and	– approximately HK$111 million to finance the operating expenses of Hongbo Mining as well as the Company and its other subsidiaries (Note 2); and	– approximately HK$69 million was used for the general working capital of the Company and its subsidiaries;
				– approximately HK$200 million for expanding the business of the Company and its subsidiaries by acquiring other oil companies and the further exploration, development and production of the other newly acquired oil and gas projects.	– approximately HK$661 million for expanding the business of the Company and its subsidiaries through investments in other oil and gas companies or projects (Note 2).	– Approximately HK$661 million, together with HK$465 millions from unutilized proceeds of development of Unit 2 and Unit 19 of Block 212, totaling HK$1,126 million was used in respect of the provision of the Term Loan (Note 2); and
						– approximately HK$119 million from unutilized proceeds of development of Unit 2 and Unit 19 of Block 212 and working capital was used for the subscription of shares in Jovo and the transaction expenses.

Notes:

1. On 29 July 2016, as part of the Subscription, the Company issued a total number of 443,369,176 Preferred Shares to Aquarius Growth Investment Limited ("**Aquarius Investment**") (the "**Aquarius Subscription**"), among which, 343,369,176 Preferred Shares were fully-paid and 100,000,000 Preferred Shares were partially-paid (the "**Unpaid Preferred Shares**"). With respect to the Unpaid Preferred Shares, Aquarius Investment partially paid an amount of HK$3,348,000 (the "**Partial Paid Amount**") and an outstanding amount of HK$63,612,000 remained unpaid, which became due and payable on 28 July 2017. On 28 September 2017, the Unpaid Preferred Shares, i.e., the whole of the 100,000,000 preferred shares, with the amount of HK$66,960,000 were forfeited and cancelled. As agreed by the Company and Aquarius Investment, the Partial Paid Amount will not be refunded to Aquarius Investment and the Board has sole discretion on the use of the Partial Paid Amount. In light of such shortfall in the amount of proceeds received as compared to that contemplated at the time of the Subscription, taking into account the actual utilization of proceeds and the circumstances of the operations of the Company and its subsidiaries, the Company has decided that a total amount of HK$736.39 million from the proceeds, being HK$800 million minus HK$63.61 million, be used to finance the development plan of the currently explored areas in Block 212. As at 30 September 2019, save for the amount of HK$63,612,000 with respect to the aforesaid cancelled and forfeited Preferred Shares, the Company had received all proceeds from the Subscription.

2. With respect to the Term Loan as disclosed in the section headed "Stonehold investment", the Company has made the following arrangements for the use of proceeds (after the reallocation as announced on 8 March 2017):

   (1) extended the use of "Acquisition and development of other oil and gas companies or projects" to "Investment in other oil and gas companies or projects, including but not limited to acquisition and development, equity or debt investment and other forms of investment that the Company considers appropriate and in line with the Company's business strategy"; and

   (2) temporarily used the unutilized proceeds of (i) an amount of HK$532 million planned to be used for the development of Unit 2 and Unit 19 of Block 212 which was not required for any then immediate use and (ii) an amount of HK$60.5 million planned to be used as working capital which was not required for any then immediate use for making the payment under the Term Loan on closing of the Stonegate Acquisition. The Term Loan has been generating a stable and considerable interest income, part of which had been used to replenish the aforesaid proceeds.

As at 30 September 2019, all of HK$2,626 million of the proceeds from the Subscription had been utilized pursuant to the intended use of proceeds (after the change as announced on 8 March 2017 and the further change as announced on 27 September 2017) and relevant arrangements for the use of proceeds as set out above.

For further details of the change in use of proceeds, the Term Loan and the further change in use of proceeds, please refer to the section headed "Stonehold Investment" and the announcements of the Company dated 8 March 2017, 15 August 2017, 27 September 2017 and 28 February 2018 respectively published on the website of the Stock Exchange (http://www.hkexnews.hk/).

For further details of the Subscription, please refer to the Company's circular dated 29 June 2016 and the Company's announcement dated 29 July 2016 published on the website of the Stock Exchange (http://www.hkexnews.hk/).

For further details of the Aquarius Subscription, please refer to the Company's announcements dated 27 October 2015, 20 November 2015, 28 January 2016 and 23 March 2016 respectively, in relation to, among others, the amendments of the subscription agreement entered into between the Company and Aquarius Investment, as one of the subscribers, on 22 June 2015, and the RTO Circular published on the website of the Stock Exchange (http://www.hkexnews.hk/).

Use of proceeds from the Foxconn Subscription

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

For details of the Foxconn Subscription, please refer to the announcements of Company dated 13 December 2017 and 22 January 2018 and the circular of the Company dated 23 December 2017 published on the website of the Stock Exchange (http://www.hkexnews.hk/).

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

The Company intends to use and has used the net proceeds from the Foxconn Subscription as follows:

(i) as to approximately HK$1,100 million for potential investment in or acquisition of targets in the natural gas industry along the value chain, both in China and in North America (including but not limited to LNG export terminal projects in Canada, LNG receiving terminal projects in China, companies engaged in importing, processing and sale of LNG, and city gas companies or natural gas distribution companies in China), among which HK$358 million had been utilized for investments in the natural gas industry as at 30 September 2019;

(ii) as to approximately HK$300 million to expand the business of the Company through investments in upstream shale gas and/or shale oil assets or projects overseas, especially within high quality basins in North America, which had not been utilized as at 30 September 2019; and

(iii) as to approximately HK$83 million to other investments for the future development that is in line with the business strategies of the Company, which had not been utilized as at 30 September 2019.

As at 30 September 2019, an aggregate amount of HK$358 million had been utilized for investments in the natural gas industry pursuant to the intended use. As for the remaining unutilized amount of HK$1,125 million the Company intends to follow abovementioned intended uses in the upcoming financial years. The Company will, from time to time, after taking into account the investment opportunities, the business needs and the optimal plan for financial resources allocation, strengthen the efficiency and effectiveness of the use of proceeds and make further announcements as and when appropriate.

OUTLOOK

The Company is committed to achieving superior risk-adjusted returns, through privately negotiated investments in energy and other sectors. For investments in the energy sector, the Company has a team of dedicated investment professionals focusing exclusively on energy as well as analysing opportunities across sub-sectors, geographies, and the capital structure. The Company strives to leverage its expertise to build differentiated businesses in the energy value chain where it believes to be valuable. The Company's current investment portfolios primarily comprise the upstream crude oil assets and LNG business in the energy industry. For investments in other sectors, the Company conducts detailed reviews on potential targets to identify and select suitable investments with a view to developing a sustainable corporate strategy in order to broaden its income stream, which may include rebalancing the resources of the Company and its subsidiaries, should opportunities arise.

In the energy investment and management sector, the oil price has been fluctuating between US$60 per barrel and US$70 per barrel. According to the International Energy Agency's (IEA) latest oil market report, oil supply has exceeded its demand by 0.9 million barrels per day (MMbpd) in the first half of 2019. This surplus adds to the considerable stock builds seen in the second half of 2018 when oil production surged just as demand growth started to falter. According to IEA's estimate, oil demand growth in 2019 changes at 1.2MMbpd after two forecasts cut this year, which is mainly due to the complicated global market situation, especially the trade negotiation between US and China. The Company still holds the view that the oil market will continue to be volatile in the next 12 months. The Company also needs to pay close attention to OPEC's decision on production control which could significantly change the market dynamic in the short term. Nevertheless, the Company will continue to implement its hedging strategy when the market is favourable to ensure that it can provide cash flow to the investors when oil prices fall, while still be able to benefit from the possible rise in oil prices.

The Company's upstream portfolio investments have continued to perform well operationally, and the Company will continue to focus on improving shareholder value in the following two ways. First, the Company is committed to driving operational improvement and seeking attractive growth opportunities for its upstream portfolio investments. Secondly, the Company shall pay close attention to the market environment and consider potentially exiting its mature investments to seize opportunities and realize value.

As for the global LNG market, despite the worldwide LNG price stays in the low range the LNG production volume continues to grow. The Company believes this low-price environment will help LNG market to grow, especially in the regions with high fuel price. In China, the market once again shows a meaningful increase in demand for natural gas, and the total consumption for the first nine months of 2019 has increased by 10.3% to 223 billion cubic meters. On the supply side, LNG import has grown to 60.17 billion cubic metres in the first nine months of 2019, which represents a 17.8% growth rate as compared with the same period of last year. LNG imports still play as the most significant growing source of energy supply in China, and the Company believes that Chinese buyers will need to secure more long-term contracts to meet the demand increase in coming years.

The Company's investment strategy is to grasp the enormous opportunity arising from China's growing demand for imported LNG supplied from the North America market, which is rich in low-cost shale gas. While the Company continues to look for investment opportunities along the LNG value chain, it expects to create synergies among its invested companies. The Company will continue to, through its investments, supply LNG for the Chinese market. In addition, the Company wishes to expand its investment and replicate its successful business model to regions that are similar to China.

It is worth reflecting on the Company's longer-term performance, as the energy industry has faced an incredibly tumultuous time in recent years, with highly volatile commodity prices and dynamic geopolitical environment. The Company's investment strategy has allowed the Company to exploit opportunities arising from the industry's distress. Also, the Company is of the view that the energy sector, by its very nature, is a favourable choice for the Company to achieve long-term sustainable growth and prosperity.

Besides, the Company has been exploring new opportunities for investments to diversify income stream and maximise returns for its shareholders. For example, the Company has identified certain business opportunities in the mobility industry and set foot in this new venture by participating in a mobility services platform business. China has embraced the spirit of the "sharing economy" and has witnessed its rapid development across both new and traditional industries. In China, the new mobility industry represents a market with an annual transaction volume of more than RMB300 billion, which is expected to reach RMB500 billion in 2022. Currently there are more than 10 billion ride orders recorded per year. The Company believes that the new mobility industry represents a fast growing and underpenetrated market opportunity that can positively benefit the Company and its shareholders.

Despite its solid cash position, the Company will also explore suitable capital-raising channels, including leveraging both equity and/or debt markets, as well as other financing possibilities. The Company believes that it is well-positioned for rapid development when attractive investment assets become available. The Company will endeavour to present unique investment opportunities for its Shareholders to gain exposure to a diversified, top-quality asset portfolio and strive for substantial returns.

FINANCIAL RESULTS REVIEW

Comparing six months ended 30 September 2019 to six months ended 30 September 2018

Revenue from sales of goods

The revenue from sales of goods represents the crude oil net sales from Hongbo Mining, a wholly-owned subsidiary of the Company. Although the average oil sales price decreased, the net revenue recorded in RMB from sales of crude oil increased by approximately 3.4%, or RMB2.5 million, due to the increase of net oil sales volume. However, due to the unfavorable changes in the exchange rate of the RMB against the Hong Kong dollar, the revenue from sales of goods measured by the Hong Kong dollar has fallen slightly by HK$1.2 million, or 1.4%, from HK$87.3 million for the six months ended 30 September 2018 to HK$86.1 million for the Reporting Period.

During the Reporting Period, Hongbo Mining's net sales volume increased to approximately 171,590 barrels from approximately 151,227 barrels for the six months ended 30 September 2018, which was mainly due to new wells drilled and the impact of fracture for the Reporting Period. For further details on the increase of the production volume, please refer to "Business Review – Hongbo Mining Investment". On the other hand, Hongbo Mining's crude oil is priced mainly with reference to Brent Crude oil prices. The average Brent Crude oil price for the Reporting Period decreased to approximately HK$510 per barrel as compared to approximately HK$598 per barrel for the six months ended 30 September 2018. Hereby, the average unit selling price of Hongbo Mining's crude oil decreased to approximately RMB442 (HK$502) per barrel for the Reporting Period from RMB485 (HK$578) per barrel for the six months ended 30 September 2018, which was consistent with the trend of global oil prices.

Cost of sales of goods

Cost of sales of goods represents the crude oil sales cost from Hongbo Mining, which only increased by approximately HK$1.2 million, or approximately 2.6%, from approximately HK$46.9 million during the six months ended 30 September 2018 to approximately HK$48.1 million during the Reporting Period with the gross production volume and gross sales volume of Hongbo Mining during the Reporting Period increased by 27,689 barrels and 25,453 barrels, or approximately 14.4% and 13.5%, respectively, as compared with that during the six months ended 30 September 2018.

Due to continuous cost control and performance improvement, the average unit production cost decreased by HK$26 per barrel, or approximately 10.6%, from approximately HK$245 per barrel (equivalent to US$31.2 per barrel) for the six months ended 30 September 2018 to approximately HK$219 per barrel (equivalent to US$28.0 per barrel) for the Reporting Period; and the average unit production cost before depreciation and amortization decreased by HK$14 per barrel, or approximately 12.0%, from HK$117 per barrel (equivalent to US$15.0 per barrel) for the six months ended 30 September 2018 to HK$103 per barrel (equivalent to US$13.2 per barrel) for the Reporting Period.

Investment income

Investment income mainly includes 1) the returns from the Term Loan granted to Stonehold on 26 September 2017, which holds the unconventional shale oil and gas assets in the Eagle Ford core region in the U.S, amounting to approximately HK$51.9 million, which are primarily in the form of interest income (at the rate of 8% per annum); 2) the fair value gain of approximately HK$20.7 million from other investments; and 3) the fair value loss resulting from the stock price changes of approximately HK$67.7 million from the LNGL investment.

Administrative expenses

Administrative expenses increased by approximately HK$4.2 million, or approximately 12.6%, from HK$33.3 million for the six months ended 30 September 2018 to HK$37.5 million for the Reporting Period. The increase in administrative expenses was primarily due to the expansion of the Company's business activities.

Taxes other than income tax

Taxes other than income tax decreased by approximately HK$1.5 million, or approximately 17.9%, from approximately HK$8.4 million for the six months ended 30 September 2018 to approximately HK$6.9 million for the Reporting Period, which was mainly due to (i) the decrease in resources tax levied on the sale of crude oil attributable to the revenue decrease of Hongbo Mining, and (ii) the decrease of petroleum special profit taxation which was accrued only when the oil price accessing US$65 per barrel.

Exploration expenses, including dry holes

The exploration expense decreased by approximately HK$0.1 million, or approximately 10.0%, from approximately HK$1.0 million for the six months ended 30 September 2018 to approximately HK$0.9 million for the Reporting Period, which was mainly due to the decrease of exploration activities.

Net finance income

The Company and its subsidiaries recorded net finance income of approximately HK$2.5 million for the six months ended 30 September 2018 and approximately HK$7.0 million for the Reporting Period, the increase of the net finance income was primarily due to the decrease of interest expense from the convertible note which had already been redeemed in the financial year of 2018.

Profit before taxation

Profit before taxation significantly decreased by approximately HK$74.1 million from approximately HK$79.3 million for the six months ended 30 September 2018 to approximately HK$5.2 million for the Reporting Period, which was primarily due to the cumulative effects of factors as discussed above in this section.

Income tax

Income tax changed from a deferred tax expense of approximately HK$4.5 million for the six months ended 30 September 2018 to a deferred tax expense of approximately HK$0.8 million for the Reporting Period. The change was mainly due to the movements of the deferred tax assets and liabilities arising from the temporary differences of the provision for abandonment, depreciation of oil and gas properties of Hongbo Mining, amortisation of intangible assets and accrued expenses.

Profit for the period

The profit for the period significantly decreased by HK$70.5 million from approximately HK$74.8 million for the six months ended 30 September 2018 to approximately HK$4.3 million for the Reporting Period, which was primarily due to the cumulative effects of factors as discussed above in this section.

EBITDA

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

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

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

	Six months ended 30 September	
	2019	2018
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Profit before taxation	**5,176**	79,314
Add: Interest expenses	**3,154**	10,267
Add: Depreciation and amortisation	**27,253**	25,554
EBITDA	**35,583**	115,135

The EBITDA changed from HK$115.1 million for the six months ended 30 September 2018 to HK$35.6 million for the Reporting Period. The significant decrease of EBITDA is primarily attributable to the decrease in the investment income generated from the LNGL Investment. The Company measured the fair value of the LNGL investment by using unadjusted quoted price in stock markets. Thus, the significant drop of the stock price of LNGL led to the decrease of the Company's investment income, which declined from the net gain of HK$52.5 million for the six months ended 30 September 2018 to the net loss of HK$67.7 million for the Reporting Period.

LIQUIDITY AND FINANCIAL RESOURCES

The Company and its subsidiaries finance their operations primarily through a combination of bank and other borrowings and proceeds from the Subscription and the Foxconn Subscription. For further details of use of proceeds from the Subscription and the Foxconn Subscription, please refer to "Business Review – Use of Proceeds from the Subscription" and "Business Review – Use of proceeds from the Foxconn Subscription" in this interim results announcement.

The cash and cash equivalents are mostly denominated in US$, HK$ and RMB. As at 30 September 2019, the Company and its subsidiaries had unpledged cash and bank deposits of HK$1,331.7 million (31 March 2019: HK$1,191.5 million).

As at 30 September 2019, the Company and its subsidiaries had outstanding loans of HK$78.4 million (31 March 2019: Nil).

As at 30 September 2019, the Company had Convertible Bond (as defined in the RTO Circular) with carrying amount of approximately HK$47.8 million (31 March 2019: HK$45.7 million). The aggregate principal amount of the Convertible Bond is HK$60.0 million, with maturity date of 30 April 2022 and payable at an interest rate of 1% per annum.

Save as the information disclosed above or otherwise in this interim results announcement, the Company and its subsidiaries had no outstanding mortgage, pledge, debentures or other loan capital issued or agreed to be issued, bank overdrafts, borrowings, liabilities under acceptance or other similar liabilities, hire purchase and finance lease commitments, or any guarantees or other material contingent liabilities as at 30 September 2019.

The Company and its subsidiaries have not used any financial instrument to hedge potential fluctuation in interest rates and exchange rates.

As at 30 September 2019, the gearing ratio (ratio of the sum of total bank and other borrowings, Convertible Bond to the total assets) was approximately 3.2% (31 March 2019: 1.2%).

MAJOR RISK MANAGEMENT

The market risk exposures of the Company primarily consist of oil price risk, currency risk, liquidity risk and interest rate risk.

Oil price risk

The principal activity of the Company is global energy and other assets investment and management. The principal activities of its subsidiaries and invested portfolios consist of upstream oil and gas business, LNG liquefaction and exporting, LNG importing, processing and sales and LNG logistics services, energy investment fund management as well as investment in energy-related and other industries and businesses. Hongbo Mining, a wholly-owned subsidiary of the Company, is engaged in petroleum-related activities in the PRC. Prices of crude oil are affected by a wide range of global and domestic political, economic and military factors which are beyond the control of the Company. A decrease in such prices could adversely affect the financial position of the Company and its subsidiaries. The Company actively used derivative instruments to hedge against potential price fluctuations of crude oil.

During the Reporting Period, the Company purchased put options for part of the production of Hongbo Mining. The put options place the Company in a hedged position, protecting the Company from a decline in the oil price over the stipulated period of time and preserving the value of the assets of Hongbo Mining.

At 30 September 2019, it is estimated that an increase/decrease at the crude oil price exceed/be lower than the fixed maximum price set by the crude oil price option contract, with all other variables held constant, would have decreased/increased the profit after tax (and increased/decreased accumulated losses) of the Company and its subsidiaries.

Currency risk

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

The Company and its subsidiaries currently do not engage in hedging activities designed or intended to manage foreign exchange rate risk. The Company and its subsidiaries will continue to monitor foreign exchange changes to best preserve the cash value.

Liquidity risk

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

Interest rate risk

The interest rate risk of the Company and its subsidiaries arises primarily from interest-bearing borrowings. The Company and its subsidiaries regularly review and monitor the mix of fixed and variable rate bank borrowings in order to manage the interest rate risks.

ACQUISITIONS AND DISPOSALS (INCLUDING ANY SIGNIFICANT INVESTMENTS)

Please refer to the section headed "Stonehold Investment" above for the Company's investment regarding certain oil and gas assets in the U.S. and the section headed "Investment regarding LNG business along the value chain" for the Company's investment regarding certain natural gas business in China and North America.

Save as disclosed above, the Company or its subsidiaries did not hold any significant investments during the Reporting Period.

CHARGES ON ASSETS OF THE COMPANY AND ITS SUBSIDIARIES

As at 30 September 2019, the Company and its subsidiaries did not have any charges on assets (31 March 2019: Nil).

CONTINGENT LIABILITIES

So far as known to the Directors, as at 30 September 2019, there had been no litigation, arbitration or claim of material importance in which the Company or its respective subsidiaries was engaged or pending or which as threatened against the Company or its respective subsidiaries.

COMMITMENTS

Capital commitments

As at 30 September 2019, the Company and its subsidiaries had capital commitments of HK$5.6 million (31 March 2019: HK$26.5 million) contracted but not provided for the acquisition of property, plant and equipment.

INTERIM DIVIDEND

The Directors do not recommend the payment of an interim dividend for the Reporting Period (31 March 2019: Nil).

MANAGEMENT CONTRACT

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

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Company expects to make further investment in mobility industry and other energy-related industries, and will publish relevant announcement(s) as and when appropriate. Please also refer to the section headed "Subsequent Event after 30 September 2019" of this interim results announcement for details of the Company's recent investment in mobility industry.

Save as disclosed above, the Company and its subsidiaries did not have any other concrete future plans for material investments or capital assets as at 30 September 2019. However, the Company always seeks for new investment opportunities in its operations to broaden the revenue and profit potential of the Company and enhance shareholders' value in long term.

EMPLOYEES

As at 30 September 2019, the Company and its subsidiaries had 116 (31 March 2019: 115) employees in Hong Kong and the PRC. During the Reporting Period, the total staff costs (including the directors' emoluments) amounted to HK$17.8 million (Six months ended 30 September 2018: HK$17.2 million). Employees' remuneration package was reviewed periodically and determined with reference to the performance of the individual and the prevailing market practices. Employees' remuneration package includes basic salary, year-end bonus, medical and contributory provident fund.

AUDIT COMMITTEE AND REVIEW OF RESULTS

The Audit Committee of the Company was established with written terms of reference in compliance with Rule 3.21 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"). As at 30 September 2019, the Audit Committee comprises two independent non-executive Directors, namely Mr. Chau Shing Yim David (Chairman) and Mr. Shi Cen, and one non-executive Director, namely Mr. Lin Dongliang.

As at 30 September 2019, the Audit Committee has reviewed with management of the Company the accounting principles and practices adopted by the Company and discussed the risk management and internal controls and financial reporting matters, including a review of the unaudited condensed consolidated interim financial statements for the Reporting Period.

CHANGE OF DIRECTORS

On 5 September 2019, Mr. Liu Zhihai, President of the Company, was appointed as an executive Director, and on the same date Mr. Lee Khay Kok resigned from the same position.

For details of the change of Directors, please refer to the announcement of the Company dated 5 September 2019 published on the websites of the Stock Exchange (http://www.hkexnews.hk/) and the Company (http://www.idgenergyinv.com/).

CHANGES IN INFORMATION OF DIRECTORS

The changes in certain information of Directors subsequent to the date of the 2019 annual report of the Company are set out below pursuant to Rule 13.51B(1) of the Listing Rules:

Mr. Shong Hugo, an non-executive Director of the Company, resigned as independent director of China United Network Communications Limited* (中國聯合網絡通信股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600050) with effect from 5 July 2019.

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

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the Reporting Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

CORPORATE GOVERNANCE

Compliance with the Model Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") set out in Appendix 10 to the Listing Rules as its own code of conduct regarding Directors' dealings in securities of the Company. Having made specific enquiry by the Company, all Directors confirmed that they have complied with the required standards set out in the Model Code throughout the Reporting Period.

* *For identification purposes only*

Compliance with Corporate Governance Code

The Board has reviewed the Company's corporate governance practices and is satisfied that the Company had complied with the applicable provisions in the Corporate Governance Code (the "**CG Code**") as set out in Appendix 14 to the Listing Rules throughout the Reporting Period, except for the following deviation:

CG Code provision A.2.1 stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. At present, Mr. Wang Jingbo ("**Mr. Wang**") is both the Chairman of the Board and the Chief Executive Officer of the Company. Mr. Wang has extensive experience in the energy industry and is responsible for the overall strategic planning and business development of the Company and its subsidiaries. The Board is of the view that vesting the roles of both chairman and chief executive officer in Mr. Wang provides the Company with strong and consistent leadership to improve the Company's efficiency in decision-making and execution in order to capture business opportunities effectively. Nevertheless, the Board will periodically review the effectiveness of this arrangement and consider the separation of the roles of the chairman and the chief executive officer when it thinks fit.

NON-COMPETITION DEED

As disclosed in the RTO Circular, each of the Controlling Shareholders (as defined in the RTO Circular) and Lin Dongliang (together, the "**Covenantors**") have entered into a Non-Competition Deed (as defined in the RTO Circular) in favour of the Company (for itself and for the benefit of its subsidiaries). With reference to the RTO Circular, the Company organised a working meeting with the Covenantors in which the Company reviewed their business portfolios and considered that there was no opportunity to operate a Restricted Business (as defined in the RTO Circular).

The Company has received confirmations from each of the Covenantors on full compliance with the Non-Competition Deed for the Reporting Period.

The independent non-executive Directors have reviewed the confirmations provided by the Covenantors, and concluded that each of the Covenantors complied with the relevant terms of the Non-Competition Deed for the Reporting Period.

SUBSEQUENT EVENT AFTER 30 SEPTEMBER 2019

On 15 November 2019, Triple Talents Limited ("**Triple Talents**"), a wholly-owned subsidiary of the Company, entered into a series of agreements with Weipin (Cayman) Holding Limited ("**Weipin**") and its affiliates, pursuant to which Triple Talents has agreed to subscribe for certain shares in Weipin, which constitutes 35% of the total share capital of Weipin upon completion of such subscription. Upon completion of this transaction with a total investment of approximately RMB200 million, the Company has become the controlling shareholder of Weipin. Weipin will become the holding company of certain mobility services platform business upon completion of restructuring.

For details of the Company's investment in the mobility industry, please refer to the voluntary announcement of the Company dated 25 November 2019.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT

The interim results announcement is published on the website of the Stock Exchange at http://www.hkex.com.hk and the Company's website at http://www.idgenergyinv.com. The interim report of the Company and its subsidiaries will be despatched to the shareholders of the Company and will be published on the above websites in due course.

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

By order of the Board
IDG Energy Investment Limited
WANG Jingbo
Chairman and Chief Executive Officer

Hong Kong, 26 November 2019

As at the date hereof, the Board comprises seven directors, of whom two are executive directors, namely Mr. Wang Jingbo (Chairman and Chief Executive Officer) and Mr. Liu Zhihai (President); two are non-executive Directors, namely Mr. Lin Dongliang and Mr. Shong Hugo; and three are independent non-executive Directors, namely Ms. Ge Aiji, Mr. Shi Cen, and Mr. Chau Shing Yim David.