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 2020

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 2020 (the "**Reporting Period**"). 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 principally engaged in the investment and management of global energy assets and the mobility services businesses. The financial statements of the Company is reported by consolidating the financial results of its controlled portfolio companies, whereas the Company's interests in other non-controlling portfolio companies are mostly recognised as financial assets at fair value through profit or loss in the Company's financial statements.

As at 30 September 2020, the Company has invested in various energy portfolio companies in China and abroad, which mainly 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. To capture new investment opportunities, the Company has also set foot in the mobility services industry by investing in Weipin, a company that operates a mobility services platform in China, in late 2019.

- Xilin Gol League Hongbo Mining Development Company Limited* (錫林郭勒盟宏博礦業開發有限公司) ("**Hongbo Mining**") is a wholly-owned portfolio company 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 175,311 barrels, and gross revenue from sales of approximately HK$54.3 million for the six months ended 30 September 2020. The Company holds 100% equity interest in Hongbo Mining and therefore its financial figures are fully consolidated to the Company's financial statements.

* *For identification purposes only*

- Stonehold Energy Corporation ("**Stonehold**"), a portfolio company in the upstream oil sector invested by the Company in 2017, owns a world-class shale oil block in Eagle Ford, Texas of the United States (the "**U.S.**"). The total net production and the revenue of Stonehold for the first six months of 2020 had reached approximately 314,000 boe and US$8.4 million, respectively. The Company invested in Stonehold through the provision of a term loan, with a fixed annual interest rate of 8%. In addition, the Company is also entitled to an amount equivalent to 92.5% of the net disposal proceeds upon disposal of its underlying assets. The investment in Stonehold (the "**Stonehold investment**") is recognised as a financial asset at fair value through profit or loss in the Company's financial statements.

- Jiangxi Jovo Energy Company Limited* (江西九豐能源有限公司) ("**JOVO**"), an LNG sector portfolio company invested by the Company in 2017, is principally engaged in clean energy businesses, including importing, processing and selling of liquefied natural gas ("**LNG**") and liquefied petroleum gas ("**LPG**") in China. JOVO is the first private LNG receiving terminal operator in China and one of the internationally recognised players in the LNG market. The Company holds minority interest in JOVO and recognises this investment as a financial asset at fair value through profit or loss in the Company's financial statements.

- LNG Quebec Limited Partnership ("**GNL Quebec**") is another portfolio company in LNG value chain invested by the Company. 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 and recognizes this investment as a financial asset at fair value through profit or loss in the Company's financial statements.

- Liquefied Natural Gas Limited ("**LNGL**"), a company listed on the Australian Securities Exchange (ASX code: LNG), is a portfolio company that the Company invested in 2018. LNGL is an independent LNG project developer which operates primarily in North America. As of 30 September 2020, the Company held a 9.8% equity interest in LNGL. This investment is recognised as a financial asset at fair value through profit or loss in the Company's financial statements.

- JUSDA Energy Technology (Shanghai) Co. Ltd.* (準時達能源科技(上海)有限公司) ("**JUSDA Energy**"), an investment in LNG value chain made by the Company in 2018, is engaged in LNG logistics services using LNG ISO container model. JUSDA Energy started its business in 2019, and has been providing stable logistics services to its customers helping them to distribute LNG from domestic LNG receiving terminals or source LNG to the overseas markets by using ISO containers. The Company will hold a 39% equity interest upon completion of all capital contribution in JUSDA Energy and recognizes this investment as interest in an associate in the Company's financial statements.

- Weipin ("**Weipin**"), a mobility sector portfolio company acquired by the Company in 2019, is principally engaged in the online ride-hailing services business in China. The Company effectively holds 35.5% of the equity share of Weipin and has the majority voting right of the board of directors with all the decision-making power over the activities of Weipin. Therefore, the Company has consolidated the financial results of Weipin into its financial statements upon completion of the acquisition.

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

* *For identification purposes only*

FINANCIAL SUMMARY

	Six months ended 30 September	
	2020	2019
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Revenue from sales and services	**334,868**	86,075
— Revenue from sales of crude oil *(Note 1)*	**43,236**	86,075
— Revenue from rendering of mobility services *(Note 2)*	**291,632**	–
Investment income *(Note 3)*	**11,300**	5,466
Total (loss)/income from principal business activities, net of cost *(Note 4)*	**(5,966)**	43,486
EBITDA	**13,691**	35,583
(Loss)/profit before taxation *(Note 5)*	**(59,822)**	5,176
(Loss)/profit for the period attributable to equity shareholders of the Company *(Note 5)*	**(25,613)**	4,337
Basic (loss)/earnings per share (HK$ per share)	**(0.388 cent)**	0.066 cent
Diluted (loss)/earnings per share (HK$ per share)	**(0.388 cent)**	0.066 cent

	As at 30 September 2020	As at 31 March 2020
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Non-current assets	**2,734,615**	2,734,099
Current assets	**1,094,368**	1,179,910
Total assets	**3,828,983**	3,914,009
Current liabilities	**219,430**	277,114
Non-current liabilities	**227,697**	230,107
Total liabilities	**447,127**	507,221
Net assets	**3,381,856**	3,406,788
Total equity attributable to equity shareholders of the Company	**3,224,384**	3,229,711

Note 1: The revenue from sales of crude oil represents the revenue generated from the net sales of crude oil produced by Hongbo Mining, a wholly-owned subsidiary of the Company.

Note 2: The revenue from rendering of mobility services represents the revenue from the online ride-hailing services provided by Weipin, a 35.5% owned subsidiary of the Company.

Note 3: 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 changes from the term loan granted to Stonehold (the "**Term Loan**"), which holds the unconventional shale oil and gas assets in the Eagle Ford core region in the U.S. and (ii) the net of investment income and losses in the form of fair value gain or loss from other projects.

Note 4: The total (loss)/income from principal business activities, net of cost represents the above-mentioned revenue from sales of crude oil, revenue from rendering of mobility services and investment income, net of the cost of sales of crude oil and cost of rendering of mobility services. The negative figure for the six month ended 30 September 2020 (the "**Reporting Period**") was mainly due to the amortization of certain intangible assets in an amount of HK$41.4 million during the Reporting Period. These intangible assets include the online ride-hailing license, drivers lists, and business relationship, which were recognised in the acquisition of Weipin on 15 November 2019.

Note 5: The loss for the Reporting Period is primarily attributable to (i) the narrow-down of profit from Hongbo Mining due to the decrease of crude oil price which was adversely affected by the COVID-19 pandemic and the imbalanced oil supply and demand during the Reporting Period; and (ii) the non-cash impact from Weipin stated in Note 4.

OPERATING SUMMARY

		Six months ended 30 September	
		2020	2019
		HK$'000	*HK$'000*
GLOBAL ENERGY INVESTMENT	**Upstream oil and gas business from Hongbo Mining**		
	Gross production volume (barrels) *(Note 1)*	**169,827**	219,342
	Gross sales volume (barrels) *(Note 1)*	**175,311**	214,487
	Net sales volume (barrels)	**140,248**	171,590
	Average unit selling price (HK$ per barrel) *(Note 1)*	**310**	502
	Average daily gross production volume (barrels)	**943**	1,219
	Average unit production cost before depreciation and amortisation (HK$ per barrel) *(Note 1)*	**83**	103
	Average unit production cost (HK$ per barrel) *(Note 1)*	**226**	219
	Wells drilled during the period		
	— Dry holes (unit)	**–**	–
	— Oil producers (unit) *(Note 2)*	**–**	12
	Fracturing workover during the period (unit)	**–**	3
	Key investment income/(loss)		
	Stonehold investment *(Note 4)*	**22,613**	51,878
	LNGL investment *(Note 4)*	**(12,713)**	(67,677)
MOBILITY SERVICES BUSINESSES	**Mobility services businesses from Weipin**		
	Total orders (Orders) *(Note 3, 4 and 5)*	**10,157,569**	–
	Average daily order(s) *(Note 3, 4 and 5)*	**55,506**	–
	Average revenue per order (HK$) *(Note 3, 4 and 5)*	**29**	–

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, which includes 20% of crude oil production volume as the entitlement of 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**") was used in the calculation of average unit production cost and average unit production cost before depreciation and amortisation. The average unit selling price was calculated using the net sales amount and net sales volume which exclude Yanchang's 20% entitlement. Gross sales volume equals to the net sales volume plus Yanchang's 20% entitlement.

Note 2: During the Reporting Period, Hongbo Mining had halted all well-drilling activities in response to the adverse effect of the COVID-19 pandemic and the imbalance of the oil supply-demand.

Note 3: Weipin, a subsidiary of the Company, is engaged in the online car-hailing mobility business which has commenced its operations since late 2019. Due to the COVID-19 pandemic, Weipin had not reached full potential in both revenue and daily order volume generated from the mobility services during the Reporting Period. Nevertheless, China has shown great improvement on the containment of the COVID-19 pandemic and people's enthusiasm, and frequency for travelling have been restored significantly. Furthermore, with the expansion of new cities covered by Weipin, the mobility services business has been improved with the average daily order volume reaching 79,149 orders in September 2020.

Note 4: Average revenue per order is calculated with reference to the total revenue generated from the mobility services businesses and the total number of orders during the Reporting Period.

Note 5: Please refer to note 4 to the unaudited interim financial information and the section headed "Business Review" in this interim results announcement for further information.

* *For identification purposes only*

FINANCIAL RESULTS

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

for the six months ended 30 September 2020 — unaudited
(Expressed in Hong Kong dollars)

		Six months ended 30 September	
		2020	2019
	Note	***HK$'000***	*HK$'000*
Revenue from sales and services		**334,868**	86,075
Cost of sales and services		**(352,134)**	(48,055)
		(17,266)	38,020
Investment income		**11,300**	5,466
Total (loss)/income from principal business activities, net of cost	*4*	**(5,966)**	43,486
Other net gains		**60**	–
Administrative expenses		**(50,982)**	(37,524)
Taxes other than income tax		**(3,347)**	(6,859)
Exploration expenses, including dry holes		**(806)**	(884)
Loss before net finance income and taxation		**(61,041)**	(1,781)
Finance income		**7,412**	13,780
Finance costs		**(6,193)**	(6,823)
Net finance income	*5(a)*	**1,219**	6,957
(Loss)/profit before taxation	*5*	**(59,822)**	5,176
Income tax	*6*	**8,265**	(839)
(Loss)/profit for the period		**(51,557)**	4,337
Attributable to:			
Equity shareholders of the Company		**(25,613)**	4,337
Non-controlling interests		**(25,944)**	–
(Loss)/profit for the period		**(51,557)**	4,337
(Loss)/earnings per share	*7*		
Basic		**HK$(0.388 cent)**	HK$0.066 cent
Diluted		**HK$(0.388 cent)**	HK$0.066 cent

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
for the six months ended 30 September 2020 — unaudited
(Expressed in Hong Kong dollars)

	Six months ended 30 September	
	2020	2019
	HK$'000	*HK$'000*
(Loss)/profit for the period	**(51,557)**	4,337
Other comprehensive income for the period (after tax and reclassification adjustments):		
Items that will not be reclassified to profit or loss:		
Equity investments at FVOCI — net movement in fair value reserve (non-recycling)	**(6,372)**	(4,228)
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of:		
— financial statements of overseas subsidiaries and an associate	**33,652**	(27,082)
Other comprehensive income for the period	**27,280**	(31,310)
Total comprehensive income for the period	**(24,277)**	(26,973)
Attributable to:		
Equity shareholders of the Company	**(4,672)**	(26,973)
Non-controlling interests	**(19,605)**	–
Total comprehensive income for the period	**(24,277)**	(26,973)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
at 30 September 2020 — unaudited
(Expressed in Hong Kong dollars)

	Note	**At 30 September 2020** *HK$'000*	At 31 March 2020 *HK$'000*
Non-current assets			
Property, plant and equipment		**571,786**	571,992
Construction in progress		**16,276**	15,623
Intangible assets	*8*	**362,144**	384,276
Goodwill		**112,837**	112,837
Right-of-use assets		**20,384**	22,798
Interest in an associate		**49,998**	50,086
Financial assets at fair value through profit or loss	*9*	**1,559,671**	1,506,377
Financial assets at fair value through other comprehensive income		**–**	36,476
Other non-current assets		**39,114**	31,161
Deferred tax assets		**2,405**	2,473
		2,734,615	2,734,099
Current assets			
Inventories		**4,880**	6,492
Trade receivables	*10*	**9,934**	10,825
Bills receivable	*10*	**3,414**	–
Other receivables	*10*	**35,381**	31,393
Financial assets at fair value through profit or loss	*9*	**35,532**	16,999
Time deposits with maturities over three months but within one year		**232,500**	–
Cash and cash equivalents	*11*	**772,727**	1,114,201
		1,094,368	1,179,910
Current liabilities			
Trade and other payables	*12*	**197,875**	193,275
Contract liabilities		**–**	1,087
Bank and other borrowings		**15,932**	77,543
Lease liabilities		**5,623**	5,209
		219,430	277,114
Net current assets		**874,938**	902,796
Total assets less current liabilities		**3,609,553**	3,636,895

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
at 30 September 2020 — unaudited (continued)
(Expressed in Hong Kong dollars)

	Note	At 30 September 2020 HK$'000	At 31 March 2020 HK$'000
Non-current liabilities			
Convertible bond	*13*	**52,447**	50,018
Lease liabilities		**5,417**	8,458
Deferred tax liabilities		**113,559**	119,759
Provisions		**56,274**	51,872
		227,697	230,107
NET ASSETS		**3,381,856**	3,406,788
CAPITAL AND RESERVES			
Share capital	*14(b)*	**65,941**	65,959
Treasury shares	*14(b)*	**–**	(680)
Reserves		**3,158,443**	3,164,432
Total equity attributable to equity shareholders of the Company		**3,224,384**	3,229,711
Non-controlling interests		**157,472**	177,077
TOTAL EQUITY		**3,381,856**	3,406,788

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 2020, the Company was principally engaged in the investment and management of global energy assets and mobility services businesses. The principal activities of its subsidiaries and invested portfolio companies consist of mobility services platform, 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 2020, 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 27 November 2020.

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 2020, except for the accounting policy changes that are expected to be reflected in annual financial statements for the year ending 31 March 2021. 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 2020. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").

3 CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued the following amendments to HKFRSs that are first effective for the current accounting period of the Group:

- Amendments to HKFRS 3, *Definition of a Business*
- Amendments to HKFRS 9, HKAS 39 and HKFRS 7, *Interest Rate Benchmark Reform*
- Amendments to HKAS 1 and HKAS 8, *Definition of Material*

None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented 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.

4 TOTAL (LOSS)/INCOME FROM PRINCIPAL BUSINESS ACTIVITIES, NET OF COST AND SEGMENT REPORTING

(a) Total (loss)/income from principal business activities, net of cost

	Six months ended 30 September	
	2020	2019
	HK$'000	*HK$'000*
Revenue from contracts with customers and recognised at point in time within the scope of HKFRS 15		
— sales of crude oil *(note (i))*	**43,236**	86,075
— rendering of mobility services *(note (ii))*	**291,632**	–
Cost of sales and services		
— sales of crude oil	**(38,410)**	(48,055)
— rendering of mobility services	**(313,724)**	–
	(17,266)	38,020
Investment income *(note (iii))*	**11,300**	5,466
Total (loss)/income from principal business activities, net of cost	**(5,966)**	43,486

Notes:

(i) Revenue from sales of crude oil is generated 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"). Hongbo Mining, one of the Company's wholly-owned subsidiaries, entered into an exploration and production cooperation contract ("EPCC") with 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") in July 2010. The EPCC gives Hongbo Mining the right to explore, develop, produce and sell the crude oil extracted from the two blocks (Block 212 and Block 378) located at Xilin Gol League, Inner Mongolia and shared between Hongbo Mining and Yanchang in the proportion of 80% and 20% respectively. Hongbo Mining commenced production in Block 212 in 2010. The EPCC was renewed in June 2018 and was expired on 30 June 2020. According to the communication between the Company and Yanchang, the EPCC is expected to be extended in the near future. Yanchang had obtained from the Ministry of Land and Resources of PRC a 15-year valid production permit for Unite 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. The current exploration permit in respect of Block 212 will expire on 3 April 2022, whereas the current exploration of Block 378 had expired on 9 November 2019 with a new exploration being in the process of application preparation. The amount represents the sales value of crude oil supplied to the customers, net of value added tax. There is one major customer with whom transactions have exceeded 10% of the revenue from sales of crude oil.

(ii) Revenue from rendering of mobility services is generated from rendering of online ride-hailing services to the passengers through Gaode platform and Didi platform. Passengers send requests for mobility service through these two platforms, and the system automatically matches the requests with the registered drivers. The amount of revenue recognised from rendering of mobility services represents the value of full fares paid by the passengers, net of value added tax and surcharge.

(iii) Investment income

	Six months ended 30 September	
	2020	2019
	HK$'000	*HK$'000*
Stonehold investment *(note (1))*	**22,613**	51,878
JOVO investment *(note (1))*	**6,222**	(98)
GNL Quebec investment *(note (1))*	**(2,211)**	25,199
Trading securities listed in the U.S. and France *(note (1))*	**1,158**	(3,283)
LNGL investment *(note (1))*	**(12,713)**	(67,677)
Fund investment *(note (1))*	**(2,480)**	–
Dividend income *(note (2))*	**892**	1,585
Net realised and unrealised losses on derivative financial instruments *(note (3))*	**–**	143
Share of losses of an associate *(note (4))*	**(2,189)**	(2,865)
Others	**8**	584
	11,300	5,466

Notes:

(1) These amounts represent fair value changes on the Stonehold investment, JOVO investment, GNL Quebec investment, trading securities listed in the U.S. and France, LNGL investment and Fund investment during the six months ended 30 September 2020. Such assets are measured at FVTPL (see note 9), any interest income arising from such assets is included in fair value changes.

(2) The amount represents the dividend income from equity investment designated as FVOCI and trading securities listed in the U.S..

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

(4) The amount represents share of an associate's profit or loss by using equity method.

(b) Segment reporting

The Company and its subsidiaries manage its businesses by divisions, which are organised by a mixture of both business lines (products and services). In a manner consistent with the way in which information is reported internally to the Company and its subsidiaries' most senior executive management for the purposes of resource allocation and performance assessment, the Company and its subsidiaries have presented the following two reportable segments. Details of the Company and its subsidiaries' reportable segments are as follows:

- Global energy investment: this segment constructs and operates upstream oil and gas business, LNG business, and generates income from processing of oil and gas and LNG, as well as investing and managing of energy-related industries and businesses.

- Mobility services businesses: this segment manages and operates the drivers and vehicles for rendering of online ride-hailing services to the passengers through aggregation traffic platform and generates income from rendering of mobility services.

(i) Information about profit or loss, assets and liabilities

Disaggregation of revenue from contracts with customers, as well as information regarding the Company and its subsidiaries' reportable segments as provided to the Company and its subsidiaries' most senior executive management for the purposes of resource allocation and assessment of segment performance for the reporting period is set out below.

For the six months ended 30 September	**Global energy investment**		**Mobility services businesses**		**Total**	
	2020	2019	**2020**	2019	**2020**	2019
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Revenue from sales and services *(note (1))*	**43,236**	86,075	**291,632**	–	**334,868**	86,075
Investment income	**11,300**	5,466	**–**	–	**11,300**	5,466
Reportable segment profit/(loss) (adjusted EBITDA)	**20,876**	35,583	**(6,975)**	–	**13,901**	35,583
Depreciation and amortisation	**(26,809)**	(27,253)	**(42,960)**	–	**(69,769)**	(27,253)
Interest income	**7,018**	13,331	**27**	–	**7,045**	13,331
Interest expense	**(3,638)**	(3,154)	**(316)**	–	**(3,954)**	(3,154)
As at 30 September/31 March 2020						
Reportable segment assets	**3,344,714**	3,413,165	**493,244**	509,500	**3,837,958**	3,922,665
Reportable segment liabilities	**(287,671)**	(351,209)	**(57,277)**	(47,382)	**(344,948)**	(398,591)

Notes:

(1) Revenue from sales and services reported above represents reportable segment revenue generated from external customers. There was no inter-segment revenue during both the current and prior periods.

(2) The measure used for reporting segment profit/(loss) is "adjusted EBITDA" i.e. "adjusted earnings before interest, taxes, depreciation and amortization".

(ii) Reconciliations of reportable segment profit or loss

	Six months ended 30 September	
	2020	2019
(Loss)/profit	***HK$'000***	*HK$'000*
Reportable segment profit (adjusted EBITDA)	**13,901**	35,583
Elimination of inter-segment profits	**(210)**	–
Depreciation and amortisation	**(69,769)**	(27,253)
Interest expense	**(3,744)**	(3,154)
Consolidated (loss)/profit before taxation	**(59,822)**	5,176

5 (LOSS)/PROFIT BEFORE TAXATION

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

(a) Net finance income

	Six months ended 30 September	
	2020	2019
	HK$'000	*HK$'000*
Interest income	**6,835**	13,331
Net gain on bank financing products	**577**	449
Foreign exchange loss, net	**(1,166)**	(845)
Interest on bank and other borrowings	**(737)**	(522)
Interest expenses on convertible bond	**(2,728)**	(2,490)
Interest on lease liabilities	**(279)**	(142)
Accretion expenses	**(1,259)**	(1,234)
Others	**(24)**	(1,590)
	1,219	6,957

(b) Other items

	Six months ended 30 September	
	2020	2019
	HK$'000	*HK$'000*
Amortisation	**43,168**	1,867
Depreciation		
— property, plant and equipment	**23,613**	24,309
— right-of-use assets	**2,988**	1,077

6 INCOME TAX

	Six months ended 30 September	
	2020	2019
	HK$'000	*HK$'000*
Current tax		
— Hong Kong Profits Tax	**–**	–
— PRC Corporate Income Tax	**2,247**	–
Deferred tax		
— Origination and reversal of temporary differences	**(10,512)**	839
	(8,265)	839

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

No provision for Hong Kong profits tax has been made as the Company and its subsidiaries' operations in Hong Kong had no assessable profits for both current and prior periods. The provision for Hong Kong profits tax is calculated at 16.5% (2019: 16.5%) of the estimated assessable profits.

The provision for PRC current income tax is based on a statutory rate of 25% (2019: 25%) of the assessable profit as determined in accordance with the relevant income tax rules and regulations of the PRC.

7 (LOSS)/EARNINGS PER SHARE

(a) Basic (loss)/earnings per share

The calculation of basic loss per share is based on the loss attributable to ordinary equity shareholders of the Company of HK$25,613,000 (six months ended 30 September 2019: profit HK$4,337,000) and the weighted average of 6,594,095,000 ordinary shares (six months ended 30 September 2019: 6,595,907,000 shares) in issue during the interim period.

(b) Diluted (loss)/earnings per share

No adjustment has been made to the basic (loss)/earnings per share amounts presented for the six months ended 30 September 2020 and 2019 in respect of a dilution as the impact of the convertible bond had an anti-dilutive effect on the basic (loss)/earnings per share amounts presented.

8 INTANGIBLE ASSETS

	Cooperation right *HK$'000*	Online car-hailing license *HK$'000*	Drivers list *HK$'000*	Business relationship *HK$'000*	Others *HK$'000*	Total *HK$'000*
Cost:						
At 1 April 2020	32,834	3,869	19,851	363,731	3,685	423,970
Additions	–	1,111	–	–	4,273	5,384
Exchange adjustments	1,307	210	790	14,479	264	17,050
At 30 September 2020	34,141	5,190	20,641	378,210	8,222	446,404
Accumulated amortisation:						
At 1 April 2020	(9,160)	(325)	(1,489)	(28,716)	(4)	(39,694)
Charge for the period	(447)	(589)	(2,009)	(38,749)	(20)	(41,814)
Exchange adjustments	(377)	(55)	(114)	(2,205)	(1)	(2,752)
At 30 September 2020	(9,984)	(969)	(3,612)	(69,670)	(25)	(84,260)
Net book value:						
At 1 April 2020	23,674	3,544	18,362	335,015	3,681	384,276
At 30 September 2020	24,157	4,221	17,029	308,540	8,197	362,144

9 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	At 30 September 2020 ***HK$'000***	At 31 March 2020 *HK$'000*
Non-current assets		
Stonehold investment *(note (a))*	**1,287,464**	1,264,851
JOVO investment *(note (b))*	**146,543**	140,321
GNL Quebec investment *(note (c))*	**72,850**	75,061
LNGL investment *(note (d))*	**13,431**	26,144
ssLNG solution investment *(note (e))*	**23,253**	–
Fund investment	**16,130**	–
	1,559,671	1,506,377
Current assets		
Trading securities listed in the U.S. and France	**1,391**	3,661
Bank financing products	**34,141**	13,338
	35,532	16,999

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 Company and Think Excel are entitled to interest on the principal amount of the Stonehold investment 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. On 30 December 2018, Golden Libra has transferred GNL Quebec investment to Valuevale.

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). As of 30 September 2020, the Company held a 9.8% equity interest in LNGL.

LNGL is an independent LNG developer with its primary operations in North America.

(e) On 15 July 2020, the Company entered into a subscription agreement with a small scale LNG solution provider ("ssLNG solution investment") at an aggregate subscription price of US$3 million (approximately HK$23.2 million). LNG solution provider aims to solve defining challenges in strategy, operation, sustainability and new business development for LNG industry clients across Asian Market.

10 TRADE AND OTHER RECEIVABLES

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

As of the end of the reporting period, the ageing analysis of trade receivables, based on the invoice date (or date of revenue recognition, if earlier) and net of allowance for doubtful debts, is as follows:

	At 30 September 2020	At 31 March 2020
	HK$'000	*HK$'000*
Within 1 month	**9,934**	10,825
Trade receivables, net of allowance for doubtful debts	**9,934**	10,825
Bills receivable	**3,414**	–
Other receivables	**14,313**	8,691
Prepayment to suppliers	**21,068**	22,702
	48,729	42,218

As at 30 September 2020, the Group provided allowance amounting to HK$1,865,000 for doubtful debts due from a customer of Hongbo Mining. The remaining trade receivables are mainly related to external companies or individual that do not have any historical default record with Weipin. Based on past experience, current condition and management's view of economic condition over the expected lives of the trade receivables, management believes that there is not any possible default events over the expected lives of the trade receivables, so no loss allowance is necessary in respect of these balances.

11 CASH AND CASH EQUIVALENTS

	At 30 September 2020	At 31 March 2020
	HK$'000	*HK$'000*
Deposit with banks	**536,240**	738,714
Cash at bank and on hand	**236,487**	375,487
	772,727	1,114,201

12 TRADE AND OTHER PAYABLES

All of the trade and other payables are expected to be settled within one year or are repayable on demand.

As of the end of the reporting period, the ageing analysis of trade payables, based on the invoice date (or date of recognition, if earlier), is as follows:

	At 30 September 2020 *HK$'000*	At 31 March 2020 *HK$'000*
Within 1 year	**60,914**	73,928
Over 1 year but within 2 years	**9,647**	4,781
Over 2 years but within 3 years	**4,123**	8,058
Over 3 years	**14,321**	7,309
Trade payables	**89,005**	94,076
Taxes other than income tax payable	**14,776**	13,594
Income tax payable	**3,774**	1,410
Payable due to Yanchang	**61,512**	57,286
Interest payable	**9,617**	9,711
Others	**19,191**	17,198
	197,875	193,275

13 CONVERTIBLE BOND

As at 29 July 2016, the convertible bonds originally had 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 bond, 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 bonds at an effective interest rate of 10.88% per annum.

On 25 September 2017, Tanisca Investments 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 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 2020, the remaining convertible bond with nominal value of HK$60,000,000 (31 March 2020: 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 2020 and 2019.

(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 2019, 31 March 2020 and 30 September 2020	11,000,000	110,000	5,000,000	50,000	16,000,000	160,000
Issued, paid or payable:						
At 1 April 2019 and 30 September 2019	6,595,907	65,959	–	–	6,595,907	65,959
Purchase of own shares *(Note)*	(1,040)	–	–	–	(1,040)	–
At 31 March 2020	6,594,867	65,959	–	–	6,594,867	65,959
Purchase of own shares *(Note)*	(776)	(18)	–	–	(776)	(18)
At 30 September 2020	6,594,091	65,941	–	–	6,594,091	65,941

Note:

During the six months ended 30 September 2020, the Company repurchased its own shares on the Stock Exchange as follows:

Month/year	**Number of shares repurchased**	**Highest price paid per share** *HK$*	**Lowest price paid per share** *HK$*	**Aggregate price paid** *HK$'000*
April 2020	776,000	0.89	0.80	655

All the 1,816,000 repurchased shares were subsequently cancelled by the Company in May 2020, and the issued share capital of the Company was reduced by the nominal value of these shares accordingly. The premium payable on the repurchase was charged against the share premium account.

15 COMMITMENTS

Capital commitments outstanding not provided for in the interim financial information are as follows:

	At 30 September 2020 ***HK$'000***	At 31 March 2020 *HK$'000*
Contracted, but not provide for:		
— property, plant and equipment	**332**	479

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	
	2020	2019
	HK$'000	*HK$'000*
Short-term employee benefits	**3,484**	3,766
Post-employment benefits	**6**	86
	3,490	3,852

(b) Financing arrangements

	Amounts owed to the Company by related parties		**Related interest income**	
	At 30 September	At 31 March	**Six months ended 30 September**	
	2020	2020	**2020**	2019
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Loans to members of key management personnel	**3,000**	3,000	**60**	–

(c) 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	
	2020	2019
	HK$'000	*HK$'000*
With the immediate holding company		
— increase in interest payable on convertible bond *(Note)*	**300**	301
— interest paid on the convertible bond	**(299)**	(406)

Note:

Interest on the convertible bond was payable to Titan Gas at 1% per annum. As at 30 September 2020, Titan Gas held the Company's convertible bond with principal amount of HK$60,000,000. Details of the transaction and the terms of the convertible bond were disclosed in note 13.

The outstanding balances with related parties are as follows:

	At 30 September	At 31 March
	2020	2020
	HK$'000	*HK$'000*
Trade and other payables		
— immediate holding company	**342**	341
Convertible bond (liability component)		
— immediate holding company	**52,447**	50,018

BUSINESS REVIEW

The principal activities of the Company and its subsidiaries

The Company is an investment holding company principally engaged in the investment and management of global energy assets and the mobility services businesses. The principal activities of its subsidiaries and invested portfolio companies consist of mobility services platform, upstream oil and gas business, LNG liquefaction and exporting, LNG importing, processing and selling, 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 global energy sector

1.1 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.

The global oil market has been largely disrupted by the COVID-19 pandemic in 2020. The global economic recovery has been dramatically uneven and fragile with China leading the way, while the rest of the world lags behind. The uncertainty created by COVID-19 shows little sign of abating. On the supply side, global supply is falling as OPEC+ countries improved their compliance rate with the production reduction agreement. Also, the maintenance season is coming and there will be some curtailment of the output, but it is expected that the oil production from Libya will be increasing. As a result, the market is still very fragile. It is very difficult to predict how the situation will turn out in the near future but the Company will continue to pay close attention to the market and will try to preserve value for its assets financially and operationally.

1.1.1 Hongbo Mining Investment

Hongbo Mining, one of the upstream portfolio companies, 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 (the "**EPCC**") entered into between Hongbo Mining (as the operator) and Yanchang (as the mineral right owner), the two parties agreed to cooperate and 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. Furthermore, Block 212 and Block 378 are entitled to exploration permit which are renewable for a term of two years after expiration. The current exploration permit for Block 212 will expire on 3 April 2022, whereas the exploration permit for Block 378 had expired on 9 November 2019 and the application for a renewal permit is being processed. The EPCC has expired and is currently being negotiated for renewal. According to the communication between the Company and Yanchang, the EPCC is expected to be renewed in the near future.

The average Brent oil price in the first two months of 2020 continued the trend of 2019 and remained above US$60/barrel. However, due to the global spread of the COVID-19 pandemic in mid-to-late March 2020, Russia's decision not to join the oil production cut in early March 2020, and Saudi Arabia's announcement to increase production in April 2020, all these factors had further exacerbated the imbalance of the oil market that created a massive glut and drove oil price to a historic low, as the average oil price for the second quarter of 2020 hit US$30/barrel. At the beginning of May 2020, the oil price dropped to a minimum of US$22/barrel. The adoption of OPEC+'s significant production reduction measures and the slow recovery of domestic transportation demand in various countries improved the fundamentals of oil supply and demand. The average oil price in the third quarter of 2020 bounced back to US$44/barrel.

In response to the adverse effect of the COVID-19 pandemic and the imbalance of the oil supply/demand, Hongbo Mining has quickly adjusted its production target by actively controlling production volume, reducing capital expenditures, and implementing various measures for cost reduction and efficiency improvement. Accordingly, Hongbo Mining had halted all its well drilling activities during the Reporting Period to reserve the production capacity for more favorable pricing in the future. Besides, Hongbo Mining had actively negotiated with its major buyer on a monthly basis, and successfully obtained a favorable oil selling price during the Reporting Period. As of 30 September 2020, all the production wells, reserves and resources estimated by Hongbo Mining were located in Block 212.

As a result, during the Reporting Period, Hongbo Mining's oil production volume decreased by approximately 22.6% to 169,827 barrels; its gross and net oil sales volume decreased by approximately 18.3% to 175,311 barrels and 140,248 barrels, respectively. Its gross revenue (equals to the net revenue from the sale of crude oil plus the 20% crude oil entitlement for Yanchang) and net revenue from sales of crude oil decreased by approximately 49.5% to approximately HK$54.3 million and HK$43.2 million, respectively, as compared with the corresponding period of last year.

The average unit production cost before depreciation and amortization decreased by HK$20 per barrel, or approximately 19.5%, from HK$103 per barrel (equivalent to US$13.2 per barrel) for the six months ended 30 September 2019 to HK$83 per barrel (equivalent to US$10.7 per barrel) for the Reporting Period. However, the amortization of oil and gas assets did not decrease significantly along with the decrease of production volume. As a result, the average unit production cost increased slightly by HK$7 per barrel, or approximately 3.3%, from HK$219 per barrel (equivalent to US$28.0 per barrel) for the six months ended 30 September 2019 to HK$226 per barrel (equivalent to US$29.2 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	
	2020	2019
Average daily gross production volume (barrels)	**943**	1,219
Average daily gross sales volume (barrels)	**974**	1,192
Average unit production cost before depreciation and amortisation (HK$ per barrel)	**83**	103
Average unit production cost (HK$ per barrel)	**226**	219
Average unit selling price (HK$ per barrel)	**310**	502

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

	Summary of expenditures incurred for six months ended 30 September			
	2020		2019	
	Number	**Cost**	Number	Cost
		HK$'000		*HK$'000*
		(Unaudited)		(Unaudited)
Wells drilled during the Reporting Period				
Oil producers	**–**	**31**	12	50,117
Total	**–**	**31**	12	50,117
Fracturing workover	**–**	**–**	3	2,136
Geological and geophysical costs	**–**	**806**	–	884

1.1.2 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 (the "**Target Assets**"), covering approximately 24,082 gross acres (9,121 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 is liquid-rich, and the majority of the reserves are crude oil and natural gas liquid. Based on the information provided by Stonehold, the Target Assets consist of 210 producing wells currently, and the total net production and revenue of the Target Assets for the first half of 2020 were approximately 314,000 boe[Note] and US$8.4 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.

Due to the impact of low oil price, Stonehold and its operators have carried out a curtailment plan for its oil production between April and July 2020. The plan helped Stonehold to maintain required cashflow in its asset and also reserved the production capacity for better pricing later on. Moreover, Stonehold has actively worked with the operators to postpone drilling and completion activities until a later date when oil price rallies. Given that the oil price has improved in the past few months, crude oil production recovered in July 2020, and the Company recorded a gain in the fair value of the Stonehold investment amounting to US$3 million during the Reporting Period. The Company maintains its faith in the future oil price and market, and believes that any increase in the reserve and valuation of the Target Assets may increase the expected returns for its shareholders upon disposal of the Target Assets by Stonehold in the future as an amount equivalent to 92.5% of any net disposal proceeds 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.

1.2 Investment regarding LNG business along the value chain

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

Although the global economic activities have been slowing down so far this year, the natural gas market in China has recorded a growth. For the first half of 2020, the total consumption of China grew by 4% to 155.6 billion cubic meters, which was in line with the Company's estimate. In addition, with low JKM LNG price, the natural gas market in coastal regions will see great development on the demand side, especially in the power sector. The Company believes that some of its portfolio companies will benefit from current market situation.

1.2.1 JOVO Investment

On 28 July 2017, Valuevale Investment Limited, a wholly-owned subsidiary of the Company, completed the subscription of the shares allotted and issued by JOVO, which is principally engaged in clean energy businesses, including importing, processing and sale of LNG and LPG in China, at the consideration of RMB100 million (equivalent to approximately HK$115.2 million).

The sweeping overseas outbreak of the COVID-19 pandemic in the second quarter of 2020 had led to the sharp drop of the international LNG spot price to less than RMB1,000/ton, while the recovery of domestic economic activities was rapid, and the domestic LNG price remained at the level of RMB2,500 to RMB3,000/ton, so JOVO could make full use of the price differential between domestic and foreign markets to increase its profitability.

JOVO had filed its initial public offering (the "**IPO**") in China and is in the review process. The Company believes that the IPO will help JOVO to expand in size and improve its profitability and liquidity by tapping into the capital market. JOVO plans to use 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 position JOVO in a very competitive place 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 fast speed. Also, being internationally recognised, JOVO is expanding its business to South East Asian region and trying to apply its successful business model over there.

1.2.2 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 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 at 30 September 2020.

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.

GNL Quebec remains on-track to develop the Terminal and Pipeline. 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 the cost competitiveness of 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.

1.2.3 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 North America, at an aggregate subscription price of A$28.2 million (equivalent to approximately HK$166.8 million). As of 30 September 2020, the Company held a 9.8% equity interest in LNGL.

During the Reporting Period, LNGL had evaluated potential corporate and asset transactions to provide liquidity and value for its shareholders. Being affected by the adverse dynamics in the general global economy and the oil and gas market, and other factors, LNGL's cash reserves were insufficient to sustain its operations in the long run. To raise additional funding for its operations, LNGL sold its equity interests in subsidiaries that own and operate the Magnolia LNG project, which is situated in Louisiana. U.S., in late May 2020. LNGL and the purchaser had agreed to work together (on a non-exclusive basis) on a potential recapitalisation proposal for LNGL. The Bear Head LNG project, which is situated in Nova Scotia, Canada, remains owned by entities controlled by LNGL. PricewaterhouseCoopers Australia, having been appointed as joint and several voluntary administrators of LNGL, is still working on the best options for LNGL in order to deliver better returns for its shareholders.

The Company is closely monitoring the situation of LNGL, including the development of the potential recapitalisation proposal, and evaluating its options with respect to the investment, including but not limited to, taking any actions it considers appropriate and necessary to preserve value and mitigate risk.

1.2.4 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, to be engaged in the provision of 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. On 8 January 2020, the Company made a subsequent investment of HK$17,462,200 to JUSDA Energy pursuant to the JV Agreement. As of 30 September 2020, the Company held a 39% equity interest in JUSDA Energy.

JUSDA Energy has been making progress in developing new business in and outside of China in 2020. 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 distribute its LNG in China. In addition, JUSDA Energy has signed a memorandum of understanding with a Japanese company to utilize Japanese partner'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.

The COVID-19 pandemic has impacted and disrupted the production in the global LNG market, and in turn, the project operation nodes of JUSDA Energy has been postponed. Nevertheless, JUSDA continues to seek for new business opportunities.

JUSDA Energy will continue to benefit from the extensive network of natural gas resources of the Company, which gives 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 bargain power among the industry, which provides strong support to JUSDA Energy in improving its LNG logistics services and reducing relevant costs.

Although the global LNG market is in a sluggish state 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 sector.

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).

2. *Investment in mobility services businesses*

2.1 *Weipin Investment*

The Company has set foot in new mobility industry to diversify income stream and maximise returns for its shareholders in late 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 and its affiliates, pursuant to which Triple Talents has agreed to subscribe for certain shares in Weipin. Upon completion of this transaction with a total investment of approximately RMB200 million, the Company effectively holds 35.5% of the equity share of Weipin, but has the majority voting right of the board of directors with all the decision-making power over the activities of Weipin. Weipin is the holding company of the mobility services platform business. For more details of the Company's investment in Weipin, please refer to the voluntary announcement of the Company dated 25 November 2019 published on the website of the Stock Exchange (http://www.hkexnews.hk).

Weipin, through its operation subsidiaries (the "**Mobility OPCOs**"), is committed to creating a fast and standardized mobility services system, connecting all participants in the mobility market, tapping into the market traffic through the traffic platform in an aggregation mode, and generating synergies by optimizing vehicle energy costs. The aggregation mode has become the current trend of online car-hailing operations in China. The Mobility OPCOs, as transportation service providers, access large traffic in the aggregation platform and meet the needs of passengers through the division of labor between the upstream and downstream of the industry chain. Under the aggregation mode, the online car-hailing services consist of the passenger demand providers represented by "Didi" and "Gaode Map" which generate online traffic of passengers, and drivers and vehicle providers represented by the Mobility OPCOs, which are responsible for executing the orders of passengers. The Mobility OPCOs rely on a high-quality driver management system and refined operating cost control to ensure that the online car-hailing orders imported through the aggregation traffic platforms are perfectly executed.

The Mobility OPCOs have signed information service cooperation agreements with the two major aggregation traffic platforms on the mobility market, namely "Gaode Map" and "Didi". The Mobility OPCOs take full advantage of the scale, traffic and reputation of "Gaode Map" and "Didi" on the customer-end, participate in the operation on the business-end in a light-weight asset manner, and complete the orders from passengers with high quality. In the cooperation between the Mobility OPCOs and the aggregation traffic platforms, full fares paid by passengers are collected by the Mobility OPCOs. The aggregation traffic platforms collect a certain percentage of the platform charges from the Mobility OPCOs, and the remaining fares are controlled and allocated by the Mobility OPCOs. The software system of the Mobility OPCOs sets certain operating parameters to automatically calculate the proportion of fares payable to drivers, which include a fixed percentage of drivers' fees and the rules for determining drivers' incentives. Drivers can collect their confirmed payment on the driver application run by the Mobility OPCOs one week after an order is completed.

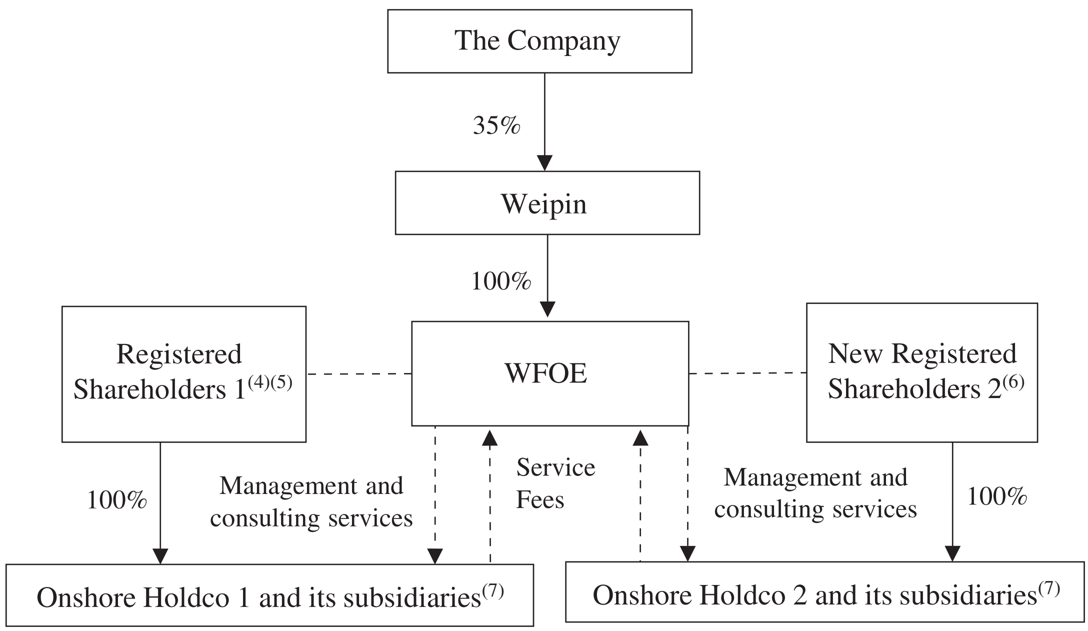
Weipin, through the Mobility OPCOs, has been operating in 27 major cities of China, such as Guangzhou, Hangzhou and Chengdu, with a total of approximately 280,000 registered car drivers. Due to the COVID-19 pandemic, the expected revenue and the daily order volume generated from the mobility services had been unable to reach full potential during the Reporting Period. Since the second half of 2020, people's enthusiasm and frequency for travel services have been restored significantly, and the demand for online car-hailing services has continued to grow. As of 30 September 2020, the average daily order volume in September 2020 was 79,149 orders. Weipin's daily average order volume continues to grow due to its expansion into other cities covered within the country.

2.2 *Update on Contractual Arrangements*

The Company and its subsidiaries operate the mobility services platform through contractual arrangements. For details, please refer to the announcements of the Company dated 26 June 2020, 22 September 2020 and 25 September 2020 (the "**VIE Announcements**"), and the 2020 annual report of the Company. Unless otherwise defined, terms used in this section shall have the same meaning as those defined in the VIE Announcements and the 2020 annual report of the Company.

During the Reporting Period, after careful consideration, the Company has replaced Guangzhou Hongyun (the "**Original Registered Shareholder 2**") with two PRC nationals as the registered shareholders of the Onshore Holdco 2 (the "**New Registered Shareholders 2**", together with the Registered Shareholders 1, collectively referred to as the "**Registered Shareholders**"). The New Registered Shareholders 2 have entered into the same agreements under the Contractual Arrangements with the WFOE and the Onshore Holdco 2, as previously entered into by the Original Registered Shareholder 2, with their respective spouse signing a spousal consent letter (collectively, the "**Onshore Holdco 2 Structured Contracts**"). The relevant agreements under the Contractual Arrangements entered into among the Original Registered Shareholder 2, the WFOE and the Onshore Holdco 2 have been terminated concurrently. Pursuant to the Contractual Arrangements (as amended), Weipin obtained effective control over, and received all the economic benefits generated by, the business operated by the Consolidated Affiliated Entities. Accordingly, through the Contractual Arrangements (as amended), the Consolidated Affiliated Entities' results of operations, assets and liabilities, and cash flows are consolidated into the Company's financial statements.

The following simplified diagram illustrates the flow of economic benefits from the Consolidated Affiliated Entities to the Company stipulated under the Contractual Arrangements (as amended):



Notes:

(1) "⟶" denotes direct legal and beneficial ownership in equity interests.

(2) "- - ▸" denotes contractual relationship.

(3) "---" denotes the control by the WFOE over the Registered Shareholders and the Onshore Holdcos through (i) powers of attorney to exercise all shareholders' rights in the Onshore Holdcos, (ii) exclusive options to acquire all or part of the equity interests in the Onshore Holdcos, (iii) exclusive options to acquire all or part of the assets used in business operation of the Onshore Holdcos, and (iv) equity pledges over the equity interests in the Onshore Holdcos.

(4) Registered Shareholders 1 refer to the registered shareholders of the Onshore Holdco 1, namely, (i) Hangzhou Juezi, a PRC company which holds 35% of the equity interests of Onshore Holdco 1; and (ii) Ms. Gao Fang, a PRC national who holds 65% of the equity interests of Onshore Holdco 1.

(5) Hanghozu Juezi is directly owned as to 70% and 30% respectively by Mr. Wang Gang (the "**Beneficial Owner 1**") and Ms. Sun Xiaohong (the "**Beneficial Owner 2**"). Beneficial Owner 1 is an individual who holds 35% of equity interests in Weipin through investment vehicles controlled by him. Beneficial Owner 1 is a director and a substantial shareholder of Weipin, and Beneficial Owner 2 is his spouse. Thus, each of Beneficial Owner 1 and Beneficial Owner 2 constitutes a connected person of the Company at the subsidiary level.

(6) New Registered Shareholders 2 refer to the registered shareholders of the Onshore Holdco 2, i.e., two PRC nationals, Mr. Wang Tao and Mr. Zhou Changjiang, who each holds 60% and 40% of the equity interests of Onshore Holdco 2, respectively. Mr. Wang Tao is a supervisor of a subsidiary of the Onshore Holdco 2, and Mr. Zhou Changjiang is the legal representative of a branch of the Onshore Holdco 2. Neither of the New Registered Shareholders 2 is a connected person of the Company.

(7) In terms of business operation, Onshore Holdco 1 and its subsidiaries, and Onshore Holdco 2 and its subsidiaries, each focus on working with a different major partner which provides passenger demand for the mobility service platform. The Registered Shareholders have also been determined for the convenience of business operations of the Onshore Holdcos and their subsidiaries.

The Registered Shareholders 1 are connected persons of the Company at the subsidiary level in the following manners:

(i) Hangzhou Juezi is an associate of Beneficial Owner 1, who is a director and a substantial shareholder of Weipin holding 35% equity interest of Weipin; and

(ii) Ms. Gao Fang is a director of the Onshore Holdco 1.

Each of the Registered Shareholders 1 constitutes a connected person of the Company at the subsidiary level, so the transactions contemplated under those agreements entered into by the Registered Shareholders 1 under the Contractual Arrangements (as amended) (the "**Onshore Holdco 1 Structured Contracts**") constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. Although the highest applicable percentage ratio in respect of such transactions is more than 5%, given that such transactions are (1) on normal commercial terms or better, (2) approved by the Board, and (3) confirmed by the independent non-executive Directors to be fair and reasonable, on normal commercial terms or better and in the interests of the Company and the Shareholders as a whole, pursuant to Rule 14A.101 of the Listing Rules, such transactions are exempt from the circular, independent financial advice and shareholders' approval requirements, and subject to the reporting, announcement and annual review requirements.

As disclosed in the notes to the diagram of the Contractual Arrangements (as amended) above, neither of the New Registered Shareholders 2 is a connected person of the Company pursuant to Chapter 14A of the Listing Rules, and therefore the transactions contemplated under the Onshore Holdco 2 Structured Contracts do not constitute continuing connected transactions of the Company.

2.3 Grant of Waiver

In respect of the continuing connected transactions contemplated under the Onshore Holdco 1 Structured Contracts, the Stock Exchange granted the Company a waiver from strict compliance with: (i) the requirement of limiting the term of the relevant agreements to three years or less under Rule 14A.52 of the Listing Rules and (ii) the requirement of setting an annual cap under Rule 14A.53 of the Listing Rules, for so long as the shares of the Company are listed on the Stock Exchange, subject to the conditions set out below:

I. No change without independent non-executive Directors' approval;

II. No material change without independent shareholders' approval;

III. The Onshore Holdco 1 Structured Contracts shall continue to enable the Company and its subsidiaries to receive the economic benefits derived by the relevant Consolidated Affiliated Entities;

IV. The Onshore Holdco 1 Structured Contracts may be renewed and/or reproduce (i) upon expiry or (ii) in relation to any existing, newly established or acquired wholly foreign-owned enterprise or operating company (including a branch company), engaging in the same business as that of the Company and its subsidiaries, without obtaining Shareholders' approval, on substantially the same terms and conditions as the Onshore Holdco 1 Structured Contracts; and

V. The Company will disclose details relating to the Onshore Holdco 1 Structured Contracts on an ongoing basis.

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 and preferred shares of the Company by Titan Gas Technology Investment Limited and other subscribers (the "**Subscription**").

As at 30 September 2020, all of the proceeds from the Subscription were fully 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. For details, please refer to the 2020 annual report of the Company which was 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 totaling 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 (the "**Net Proceeds**") (after deducting the expenses incurred in the Foxconn Subscription) are approximately HK$1,483 million.

On 24 June 2020, the Board resolved to change the intended use of unutilized Net Proceeds (the "**Change in Use of Proceeds**") by allocating the unutilized Net Proceeds of HK$200 million from investment or acquisition of targets in the natural gas industry in China and North America to general working capital as the Company requires funds for general working capital purposes.

The following table summarizes the intended use of proceeds and the actual use of proceeds as at 30 September 2020.

	Intended use of Net Proceeds set out in the relevant circular *HK$'000*	**Intended use of Net Proceeds (after the change as announced on 24 June 2020)** *HK$'000*	**Actual use of Net Proceeds as at 30 September 2020** *HK$'000*	**Unutilized Net Proceeds as at 30 September 2020** *HK$'000*
Investment or acquisition of targets in natural gas industry in China and in North America	1,100,000	900,000	399,000	501,000
Investment in up-stream shale gas and/or shale oil assets or projects overseas	300,000	300,000	–	300,000
Other investments for future development	83,000	83,000	83,000	–
General working capital	–	200,000	22,000	178,000

As at 30 September 2020, an aggregate amount of HK$504 million had been utilized pursuant to the revised intended use, and the unutilized net proceeds of HK$979 million are expected to be utilized in accordance with the revised intended use by 31 December 2023. The expected timeline for the revised intended use of unutilized Net Proceeds, which is subject to future adjustments, if required, is based on the best estimation of the Company taking into account, among others, the prevailing and future market conditions and business developments and need.

The outbreak of COVID-19 coupled with the adverse dynamics of the global economy disrupted the natural gas market, and the Company considers that any assessment of the business and financial prospects of potential acquisition targets would involve a high degree of uncertainties. Therefore, the Company decides to take a prudent attitude in the investment or acquisition of natural gas assets in the near future to lower potential investment risks, and believes that the Change in Use of Proceeds will not impair the general business plan to identify investment or acquisition opportunities of targets in natural gas industry.

The Board believes that the Change in Use of Proceeds will not have any material adverse effect on the existing business and operation of the Company and its subsidiaries, and is in the best interests of the Company and its shareholders as a whole. The Board will, from time to time, assess and evaluate the business need of the Company and its subsidiaries and the optimal plan for allocation and deployment of the Company's financial resources to strengthen the efficiency and effectiveness of the use of the Net Proceeds.

Looking forward, the priority of the Company is to protect investment principal and to enhance the Shareholders' value. The Change in Use of Proceeds will enable the Company to optimize the allocation of its resources and to ensure the commercial development and sound financial performance of its businesses.

For details, please refer to the announcement of Company dated 24 June 2020 published on the website of the Stock Exchange (http://www.hkexnews.hk/).

OUTLOOK

The Company is committed to achieving superior risk-adjusted returns, through privately negotiated investments in the energy and mobility service sector. 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 energy investment portfolios are primarily the upstream crude oil assets and LNG business in the energy industry. With the deep layout of the energy industry chain, the Company had expanded its investment territory to the mobility service sector to diversify income stream and maximise returns for its shareholders. In addition, the mobility services platform is expected to enjoy synergies with the existing businesses of its shareholders, including but not limited to fuel cost optimization.

The oil price was very depressed in early 2020 but has slowly stabilized to about US$40 per barrel in recent months. The latest data shows that the global oil demand from January to July 2020 was approximately 90.4 million barrels per day, which was lower than last year's level. As national lockdown in China began to ease, there was an initial sharp recovery in demand led by gasoline, but the curve gradually flattened out. It is becoming increasingly likely that COVID-19 will stay for some time. According to the International Energy Agency (IEA)'s latest oil market report, with global output increasing overall and IEA's downwardly revised demand data, the estimated implied stock draws for the second half of 2020 is calculated to be at about 3.4 mb/d, which is about 1 mb/d less than that of estimated in the previous report. Stock draws suggest firmer prices, but the magnitude is smaller. This suggests a sign of weakness in the coming months. Stocks might be drawing over time, but OECD data showed an increase in stocks in July 2020, taking them back to record levels. In addition, the crude oil purchase from China — which provided strong support to the crude oil market since April 2020 — dropped sharply for September and October 2020 deliveries leaving unsold barrels piling up. All these data suggested that the oil market has been in a very fragile situation, and the Company needs to be prepared for any possibilities.

As for the global LNG market, although the worldwide LNG price stays in the low range, the LNG production volume continues to grow. The Company believes that this low-price environment will help LNG market to grow even faster than in 2019, especially in the regions with high fuel and power price. As for the investment in JOVO, the overseas spread of COVID-19 has led to a sharp drop in the international LNG spot price to less than RMB1,000/ton, whereas the domestic LNG price remained at the level of RMB2,500 to RMB3,000/ton due to the prompt recovery of the domestic economic activities in China. JOVO could make full use of the price differential between domestic and foreign markets to increase its profitability.

The Company's performance has been negatively affected by the macro environment. Still, as stated above, the crude oil price has recovered considerably to a level of the US$40 range, and the business in the energy sector is starting to pick up significantly. It's worth reflecting on the Company's longer-term performance, as the energy industry has faced an incredibly tumultuous time in recent times, 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. The Company will continue to focus on improving shareholder value in the following two ways, which are (1) to continuously drive operational improvement and seek attractive growth opportunities for its upstream portfolio investments, and (2) to pay close attention to the market environment in order to seize opportunities for exiting and realizing its investments for profitable returns.

In addition, the Company has gradually shifted its focus to the mobility services platform business before the outbreak of the COVID-19. The mobility services sector is one of the focal businesses to develop for the Company, and the Company expects to closely engage in the operation and supervision of this new business to ensure its commercial development and sound financial performance. The Chinese mobility service market has returned to growth since China is the first major economy to recover from COVID-19 pandemic. According to the data published by a third-party research firm and leading mobility service company, the peak daily bookings of ride-hailing in China surpassed 30 million during the third quarter of 2020. However, the 2020 annual transaction volume of the ridesharing market in China will remain at the 2019 level of RMB300 billion due to the extremely low demand during the first quarter of 2020. The Company believes that the new mobility industry will continue to grow at a rapid pace in the next few years, benefiting from the "dual-circulation strategy" which will boost the domestic consumption, to reach RMB500 billion before year end of 2023. The Company is actively engaged in the cooperation with all leading ridesharing platforms under aggregation mode, providing cross-platform supply to greatly improve the matchmaking efficiency and driver's income per hour. The improvement in efficiency allow the Company together with its platform partners to launch an "express saver" product, which is 10–20% cheaper than the standard express service, to drive the growth of the entire ridesharing market. The Company believes that the new mobility industry represents a fast growing and underpenetrated market opportunity.

Going forward, the top priority of the Company is to navigate choppy waters and adhering to the Company's investment principal, by helping investment portfolios tap into their respective internal value and improve operation efficiency. And the Company will continue to look for more investment opportunities with a more prudent attitude as the economy enters into a new period of considerable uncertainty for 2020. 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 2020 to six months ended 30 September 2019

Revenue from sales and services

Revenue from sales and services includes revenue from sales of goods approximately HK$43.2 million and revenue from rendering of mobility services approximately HK$291.6 million:

(1) 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. It decreased by HK$42.9 million, or 49.5%, from HK$86.1 million for the six months ended 30 September 2019 to HK$43.2 million for the Reporting Period.

The decrease was mainly due to the comprehensive effect from the decrease in crude oil average selling prices and the net sales volume. 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$287 per barrel as compared to approximately HK$510 per barrel for the six months ended 30 September 2019. On one hand, the average unit selling price of Hongbo Mining's crude oil decreased to approximately HK$310 per barrel for the Reporting Period from HK$502 per barrel for the six months ended 30 September 2019, which was consistent with the trend of global oil prices, and even slightly better than Brent Crude oil prices since Hongbo Mining had actively negotiated with the buyer on a monthly basis and successfully obtained a favorable oil selling price during the Reporting Period to guarantee the interests of its shareholder. On the other hand, Hongbo Mining's net sales volume decreased to 140,248 barrels for the Reporting Period from 171,590 barrels for the six months ended 30 September 2019, which was mainly due to the active controlling production plan when facing the effect of low oil price market. For further details on the decrease of the production volume, please refer to "Business Review — Hongbo Mining Investment".

(2) Revenue from mobility services

The revenue from rendering of mobility services represents the online ride-hailing services provided by Weipin, a subsidiary of the Company acquired in November 2019. The amount of revenue from rendering of mobility services represents the value of full fares paid by passengers, net of value added tax and the surcharge. During the Reporting Period, Weipin recorded 10,157,569 orders and a total revenue of HK$291.6 million from the operation of mobility services, with an average revenue per order of HK$29.

Cost of sales and services

Cost of sales and services includes cost of sales of goods of HK$38.4 million and cost of rendering of mobility services of HK$313.7 million:

(1) *Cost of sales of goods*

Cost of sales of goods represents the cost of sales of crude oil from Hongbo Mining, which decreased by HK$9.6 million, or approximately 20.1%, from HK$48.1 million during the six months ended 30 September 2019 to HK$38.4 million during the Reporting Period.

In response to the adverse effects of the COVID-19 pandemic and the imbalanced oil supply and demand in the first quarter of 2020, Hongbo Mining has quickly adjusted its production target by actively controlling production volume, reducing capital expenditures, and taking various measures for cost reduction and efficiency improvement. As a result, the average unit production cost before depreciation and amortization decreased by HK$20 per barrel, or approximately 19.5%, from HK$103 per barrel (equivalent to US$13.2 per barrel) for the six months ended 30 September 2019 to HK$83 per barrel (equivalent to US$10.7 per barrel) for the Reporting Period. However, the amortization of oil and gas assets did not decrease significantly along with the decrease of production volume. As a result, the average unit production cost increased slightly by HK$7 per barrel, or approximately 3.3%, from HK$219 per barrel (equivalent to US$28.0 per barrel) for the six months ended 30 September 2019 to HK$226 per barrel (equivalent to US$29.2 per barrel) for the Reporting Period.

(2) *Cost of rendering of mobility services*

The cost of rendering of mobility services represents the cost of operating the online ride-hailing services by Weipin, which mainly includes the following:

(i) Earnings to drivers amounting to approximately HK$224.2 million, which is the cumulative payments to the drivers;

(ii) Amortization of intangible assets of approximately HK$41.3 million, which includes the online ride-hailing license, drivers lists, and business relationship. For further details of the intangible assets, please refer to note 8 to the unaudited interim financial information of this interim results announcement;

(iii) Platforms charges amounting to approximately HK$37.0 million, which is the service fee paid to aggregation traffic platforms;

(iv) Driver incentives and referrals amounting to approximately HK$6.8 million, which is the payments distributed to drivers as reward of achieving certain operational targets; and

(v) Referral fees to other driver source providers amounting to approximately HK$3.3 million and driver management and carrier liability insurance amounting to approximately HK$1.1 million.

Investment income

Investment income mainly includes the following:

(i) the fair value gain from the Stonehold investment of HK$22.6 million. The profit of fair value change from the Stonehold Investment mainly resulted from the slight rise in the short term oil price forecast at the end of the Reporting Period, as the global crude oil market was moving to a rebalance as a result of production reduction and demand recovery during the Reporting Period; and

(ii) the fair value loss resulting from the stock price changes of HK$12.7 million from the LNGL investment.

Administrative expenses

Administrative expenses increased by HK$13.5 million, or approximately 35.9%, from HK$37.5 million for the six months ended 30 September 2019 to HK$51.0 million for the Reporting Period. The increase in administrative expenses was primarily due to the consolidation of Weipin since 15 November 2019. The administrative expenses incurred in Weipin of HK$27.8 million mainly include the payroll to staffs.

Taxes other than income tax

Taxes other than income tax decreased by HK$3.6 million, or approximately 51.2%, from HK$6.9 million for the six months ended 30 September 2019 to HK$3.3 million for the Reporting Period, which was mainly due to the decrease in resources tax levied on the sale of crude oil attributable to the revenue decrease of Hongbo Mining.

Exploration expenses, including dry holes

The exploration expense decreased by HK$0.1 million, or approximately 8.8%, from HK$0.9 million for the six months ended 30 September 2019 to HK$0.8 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 HK$7.0 million and HK$1.2 million for the six months ended 30 September 2019 and the Reporting Period respectively. The decrease of approximately 82.5% was primarily due to the lower deposit interest rate during the Reporting Period.

(Loss)/profit before taxation

(Loss)/profit before taxation decreased by HK$65.0 million from a profit of HK$5.2 million for the six months ended 30 September 2019 to a loss of HK$59.8 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 consists of deferred tax expense and current tax expense, which changed from a deferred tax expense of HK$0.8 million for the six months ended 30 September 2019 to deferred tax credit of HK$10.5 million and current tax expense of HK$2.2 million for the Reporting Period.

The deferred tax credit for the Reporting Period consists of (1) deferred tax liability arising from Weipin's intangible assets recognised at the acquisition date of approximately HK$10.2 million; (2) deferred tax asset arising from the unused tax losses from Weipin of approximately HK$0.2 million; and (3) other changes on deferred tax assets and liabilities arising from the temporary differences of the provision for abandonment, depreciation of oil and gas properties of Hongbo Mining of approximately HK$0.5 million.

(Loss)/profit for the period attributable to equity shareholders of the Company

(Loss)/profit for the period attributable to equity shareholders of the Company decreased by HK$29.9 million from a profit of HK$4.3 million for the six months ended 30 September 2019 to a loss of HK$25.6 million for the Reporting Period which was primarily due to the cumulative effects of factors as discussed above in this section.

EBITDA

The management of the Company prepared a reconciliation of EBITDA to profit/loss before taxation, 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 income tax, interest expenses, depreciation and amortisation.

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

	Six months ended 30 September	
	2020	2019
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
(Loss)/profit before taxation	**(59,822)**	5,176
Add: Interest expenses	**3,744**	3,154
Add: Depreciation and amortisation	**69,769**	27,253
EBITDA	**13,691**	35,583

The EBITDA changed from a profit of HK$35.6 million for the six months ended 30 September 2019 to HK$13.7 million for the Reporting Period. The decrease of EBITDA is primarily attributable to (1) the narrow-down of profit from Hongbo Mining due to the decrease of crude oil price which was adversely affected by the COVID-19 pandemic and the imbalanced oil supply and demand during the Reporting Period; (2) the slight loss from Weipin, a subsidiary of the Company acquired in November 2019. This is because that the business of Weipin just started. It is at the early stage of operation, and is unable to reach its full potential due to the adverse effect of COVID-19 pandemic. The Company believes that with stable operation, Weipin's cost is expected to decrease, and it gradually generates profit.

SEGMENT INFORMATION

The Company and its subsidiaries manage its businesses by divisions, which are organised by a mixture of both business lines (products and services). In a manner consistent with the way in which information is reported internally to the Company and its subsidiaries' most senior executive management for the purposes of resource allocation and performance assessment, the Company and its subsidiaries have presented the following two reportable segments:

- Global energy investment: this segment constructs and operates upstream oil and gas business, LNG business, and generates income from processing of oil and gas and LNG, as well as investing and managing of energy- related industries and businesses.

- Mobility services businesses: this segment manages and operates the drivers and vehicles for rendering of online ride-hailing services to the passengers through aggregation traffic platforms and generates income from rendering of mobility services.

	Global energy investment		Mobility services businesses		Total	
	2020	2019	**2020**	2019	**2020**	2019
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
For the six months ended 30 September						
Revenue from sales and services	**43,236**	86,075	**291,632**	–	**334,868**	86,075
Investment income	**11,300**	5,466	**–**	–	**11,300**	5,466
Reportable segment profit/(loss) (adjusted EBITDA) *(Note)*	**20,876**	35,583	**(6,975)**	–	**13,901**	35,583
Depreciation and amortisation	**(26,809)**	(27,253)	**(42,960)**	–	**(69,769)**	(27,253)
Interest income	**7,018**	13,331	**27**	–	**7,045**	13,331
Interest expense	**(3,638)**	(3,154)	**(316)**	–	**(3,954)**	(3,154)
As at 30 September/31 March 2020						
Reportable segment assets	**3,344,714**	3,413,165	**493,244**	509,500	**3,837,958**	3,922,665
Reportable segment liabilities	**(287,671)**	(351,209)	**(57,277)**	(47,382)	**(344,948)**	(398,591)

Note: The measure used for reporting segment profit/loss is "adjusted EBITDA" i.e. "adjusted earnings before interest, taxes, depreciation and amortisation".

For details of segment information of the Company and its subsidiaries, please refer to Note 4(b) to the unaudited interim financial information of this interim results announcement.

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 Foxconn Subscription. For further details of use of proceeds from the Foxconn Subscription, please refer to "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 2020, the Company and its subsidiaries had unpledged cash and bank deposits of HK$1,005.2 million (31 March 2020: HK$1,114.2 million).

As at 30 September 2020, the Company and its subsidiaries had outstanding loans of HK$15.9 million (31 March 2020: HK$77.5 million).

As at 30 September 2020, the Company had Convertible Bond (as defined in the RTO Circular) with carrying amount of approximately HK$52.4 million (31 March 2020: HK$50.0 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 2020.

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 2020, the gearing ratio (ratio of the sum of total bank and other borrowings, Convertible Bond to the total assets) was approximately 1.8% (31 March 2020: 3.2%).

MAJOR RISK MANAGEMENT

The market risk exposures of the Company in its businesses primarily consist of oil price risk, currency risk, liquidity risk, interest rate risk and driver management risk.

Oil price risk

The principal activities of the Company's subsidiaries and invested portfolios in the "global energy investment" segment consist of upstream oil and gas business, LNG liquefaction and exporting, LNG importing, processing and sales, and LNG logistics services. Hongbo Mining, a wholly-owned subsidiary of the Company, is engaged in petroleum-related activities in the PRC. The Company also has the Term Loan granted to Stonehold, which is engaged in petroleum-related activities as well. 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 result and financial position of the Company and its subsidiaries.

During the Reporting Period, the Company had not purchased any put options for part of the production of Hongbo Mining, However, Hongbo Mining had actively negotiated with the buyer, and successfully reached a floor oil selling price starting from April 2020 to guarantee the interests of its shareholder. As at 30 September 2020, the Company did not hold any put options.

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 and other borrowings in order to manage the interest rate risks.

Driver management risk in the mobility services platform

Maintaining a team of competitive drivers is a key to the success of the mobility services platform. If Weipin is unable to attract or maintain a critical mass of drivers, its business will become less appealing to business partners, and the financial results of the Company would be adversely affected.

To continue to retain and attract drivers to Weipin's platform, Weipin will increase the drivers' earning by increasing the fixed fees payable to drivers for a given trip and its incentives to drivers. Further, Weipin's prospective investors have indicated to continue to provide more resources and access to larger driver pools in a particular geographic market in the future.

In addition, Weipin will continue to invest in the development of new driver service system that provides additional value for drivers, which differentiates it from its competitors. Specific measures include: (1) Outstanding full-time drivers will be rewarded with the services of exclusive service managers, as well as tea breaks and other services at service stations; (2) Weipin will integrate the resources of the automobile service industry, cooperate with other companies in relevant industries, and provide core drivers with services such as charging, vehicle insurance, vehicle maintenance, and traffic violation handling; and (3) Weipin will select high-performance drivers on a regular basis and reward them with a certificate or a medal, giving them a strong sense of honor and enhancing their loyalty to Weipin's platform.

SIGNIFICANT INVESTMENTS

At 30 September 2020, the Company and its subsidiary held Stonehold Investment as financial assets at fair value through profit or loss. Details of the Stonehold Investment is as follows:

	Six months ended 30 September 2020	At 30 September 2020		At 31 March 2020
	Investment gain	Fair Value	Approximate percentage to the total assets	Fair Value
	HK$'000	*HK$'000*		*HK$'000*
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Stonehold Investment	22,613	1,287,464	33.6%	1,264,851

The Board acknowledges that the performance of the Stonehold investment may be affected by the degree of volatility in the oil and gas market and is susceptible to other external factors that may affect its values. Accordingly, in order to mitigate possible financial risks related to the equities, the Board maintains a diversified investment portfolio across various segments of the market and also closely monitors the performance of its investment portfolio.

For details of the Stonehold investment during the Reporting Period, please refer to the section "Stonehold investment" in the "Business Review". Except the Stonehold investment, as at 30 September 2020, there was no investment held by the Company and its subsidiaries the value of which was more than 5% of the total assets of the Company and its subsidiaries.

MAJOR ACQUISITIONS AND DISPOSALS

During the Reporting Period, there was no major acquisition or disposal by the Company and its subsidiaries.

CHARGES ON ASSETS OF THE COMPANY AND ITS SUBSIDIARIES

As at 30 September 2020, Hongbo Mining's land, buildings, machinery and equipment amounting to approximately HK$91.3 million had been pledged as the security to secure financing facilities granted to Hongbo Mining (31 March 2020: Nil).

CONTINGENT LIABILITIES

So far as known to the Directors, as at 30 September 2020, 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.

CAPITAL COMMITMENTS

As at 30 September 2020, the Company and its subsidiaries had capital commitments of HK$0.3 million (31 March 2020: HK$0.5 million) contracted but not provided for the acquisition of property, plant and equipment.

INTERIM DIVIDENDS

The Directors do not recommend the payment of an interim dividend for the Reporting Period (31 March 2020: Nil).

MANAGEMENT CONTRACT

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

EMPLOYEES

As at 30 September 2020, the Company and its subsidiaries had 265 (31 March 2020: 265) employees in Hong Kong and Mainland China. During the Reporting Period, the total staff costs (including the directors' emoluments) amounted to HK$29.9 million (Six months ended 30 September 2019: HK$17.8 million). The increase in staff costs was primarily due to the consolidation of Weipin. 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.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Company and its subsidiaries did not have any other future plans for material investments or capital assets as at 30 September 2020. However, the Company will continue to seek new investment opportunities to broaden its revenue base and profit potential and maximise shareholder' value in the long term.

AUDIT COMMITTEE AND REVIEW OF RESULTS

The audit committee of the Company (the "**Audit Committee**") was established with written terms of reference in compliance with Rule 3.21 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"). The primary duties of the Audit Committee, among other things, are to oversee the Company's financial report system, risk management and internal control procedures, provide advice and comments to the Board, and monitor the independence and objective of the external auditor. As at 30 September 2020, the Audit Committee of the Company 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.

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 interim financial information for the Reporting Period.

CHANGE IN INFORMATION OF DIRECTORS

The changes in certain information of Directors subsequent to the date of the 2020 annual report of the Company are set out below pursuant to Rule 13.51B(1) of the Listing Rules:

Mr. Shong Hugo, a non-executive Director of the Company, resigned as non-executive director of Mei Ah Entertainment Group Ltd., a company listed on the Main Board of Stock Exchange (stock code: 391) with effect from 17 June 2020.

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.

SUBSEQUENT EVENT

There are no material subsequent events undertaken by the Company and its subsidiaries after 30 September 2020 and up to the date of the interim results announcement.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

In March 2020 and April 2020, the Company repurchased a total of 1,816,000 ordinary shares of the Company on the Stock Exchange, with an aggregate consideration paid amounting to HK$1,334,973.60. All the shares repurchased by the Company were subsequently cancelled in May 2020 and the issued share capital of the Company was reduced thereon. The repurchase was effected by the Board for the enhancement of shareholder value in the long term. Details of the shares repurchased are as follows:

		Repurchase price per share		
Month of repurchase	**No. of shares repurchased**	**Highest paid price** *HKD*	**Lowest paid price** *HKD*	**Aggregate consideration paid** *HKD*
March 2020	1,040,000	0.68	0.58	679,952.00
April 2020	776,000	0.89	0.80	655,021.60
Total	1,816,000			1,334,973.60

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed shares in the six months ended 30 September 2020.

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**") as set out in Appendix 10 to the Listing Rules to regulate the Directors' securities transactions.

Having made specific enquiries by the Company, all Directors have confirmed that they have complied with the required standard set out in the Model Code throughout the Reporting Period.

Compliance with Corporate Governance Code

The Company is committed to achieving high standards of corporate governance and has always recognised the importance of accountability, transparency and protection of Shareholders' interest in general. The Company has adopted the code provisions of the Corporate Governance Code and Corporate Governance Report (the "**CG Code**") set out in Appendix 14 of the Listing Rules as its own corporate governance policy, subject to amendments from time to time.

In the opinion of the Board, the Company had complied with the code provisions of the CG Code throughout the Reporting Period, except for the CG Code provision A.2.1, which stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. During the Reporting Period, Mr. Wang Jingbo was both the chairman of the Board and the chief executive officer of the Company. The Board is of the opinion that such arrangement does not result in undue concentration of power and is conducive to the efficient formulation and implementation of the Company's strategies thus allowing the Company to develop its business more effectively.

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.

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 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, 27 November 2020

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.