

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

**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 2021**

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 2021 (“**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 different assets and businesses, currently including global energy assets and the mobility services business. 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 recognized as financial assets at fair value through profit or loss in the Company’s financial statements.

As at 30 September 2021, the Company has invested in various energy portfolio companies in China and abroad, which include Hongbo Mining, Stonehold, JOVO 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. In March 2021, the Company has entered into the amended and restated limited partnership agreement for the admission into an investment fund with a primary focus on advanced manufacturing, with evaluation and consideration that the application of advanced manufacturing will be a major global development trend.

- 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. Hongbo Mining is an operating company engaged in exploration, development, production and sales of crude oil in China, with its gross sales volume of approximately 151,410 barrels and gross revenue from sales of about HK\$81.5 million for the Reporting Period. 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 2021 had reached approximately 288,887 boe and US\$13.5 million, respectively. The Company invested in Stonehold through the provision of a term loan (the “**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 the underlying assets. The investment in Stonehold (the “**Stonehold investment**”) is recognized 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 a comprehensive clean energy service provider focusing on the mid-stream and terminal aspect of the gas industry. On 25 May 2021, JOVO successfully completed its initial public offering (“**IPO**”) and listed its shares on the Shanghai Stock Exchange (stock code: 605090). JOVO offers a wide range of clean energy and related products, such as liquefied natural gas (LNG), liquefied petroleum gas (LPG) and methanol, and comprehensive solutions of international energy provision and integrated application, to its customers. The Company holds a minority interest in JOVO and recognizes this investment 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 the LNG logistics services using the 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 holds a 39% equity interest upon completion of all equity 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% equity interest in Weipin. On 21 June 2021, the Company no longer had the majority voting right of the board of directors with all the decision-making power over the activities of Weipin. With effect from 21 June 2021, the financial results of Weipin ceased to be consolidated into the financial statements of the Company. Thus, the Company has recognized the investment in Weipin as interest in an associate under the application of the equity method.

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

\* For identification purposes only

## FINANCIAL SUMMARY

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2021</b>	<b>2020</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
		<b>(Restated)</b>
Revenue from sales ( <i>Note 1</i> )	<b>65,212</b>	43,236
Investment (loss)/income ( <i>Note 2</i> )	<b>(257,805)</b>	11,300
Total (loss)/gain from principal business activities, net of cost ( <i>Note 3</i> )	<b>(241,996)</b>	16,126
EBITDA from continuing operations	<b>(246,865)</b>	20,666
Loss before taxation from continuing operations	<b>(277,372)</b>	(9,781)
Loss for the period from continuing operations ( <i>Note 4</i> )	<b>(279,007)</b>	(11,544)
Profit/(loss) for the period from discontinued operation ( <i>Note 5</i> )	<b>56,924</b>	(40,013)
Loss for the period	<b>(222,083)</b>	(51,557)
— Attributable to equity shareholders of the Company	<b>(199,790)</b>	(25,613)
— Attributable to non-controlling interests	<b>(22,293)</b>	(25,944)
Basic and diluted earning/(loss) per share		
— Continuing and discontinued operations	<b>HK\$(2.899 cent)</b>	HK\$(0.388 cent)
— Continuing operations	<b>HK\$(4.048 cent)</b>	HK\$(0.175 cent)
— Discontinued operation	<b>HK\$1.149 cent</b>	HK\$(0.213 cent)
	<u><b>HK\$1.149 cent</b></u>	<u><b>HK\$(0.213 cent)</b></u>
	<b>As at</b>	
	<b>30 September</b>	<b>31 March</b>
	<b>2021</b>	<b>2021</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Non-current assets	<b>1,631,555</b>	2,417,054
Current assets	<b>1,373,999</b>	1,188,470
Total assets	<b>3,005,554</b>	3,605,521
Current liabilities	<b>202,930</b>	355,843
Non-current liabilities	<b>97,497</b>	205,402
Total liabilities	<b>300,427</b>	561,245
Net assets	<b>2,705,127</b>	3,004,279
Total equity attributable to equity shareholders of the Company	<b>2,705,127</b>	2,904,233
	<u><b>2,705,127</b></u>	<u><b>2,904,233</b></u>

*Note 1:* The revenue from sales represents the revenue generated from the net sales of crude oil produced by Hongbo Mining, a wholly-owned subsidiary of the Company. The increase in revenue was mainly due to the increase of the crude oil price.

*Note 2:* According to the accounting policy, the investment loss stated here mainly includes (i) the returns from the Stonehold investment, primarily in the form of interest income (with interest at the rate of 8% per annum) and other fair value changes from the Term Loan granted to Stonehold, 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. The investment loss was mainly attributable to the fair value change from the Stonehold investment which resulted from the burgeoning global promotion of carbon neutralization as the international community acts decisively to combat climate change and limit global warming. Such acts have, directly and indirectly, promoted and induced the use of natural gas and other alternative renewable energy and consequently reduced the long-term demand for fossil fuels like crude oil and caused the expected long-term low oil price.

*Note 3:* The total loss from principal business activities, net of cost represents the above-mentioned revenue from sales of crude oil and investment loss, net of the cost of sales of crude oil. The loss was mainly due to the reasons stated above in Note 2.

*Note 4:* The loss for the period from continuing operations was primarily attributed to the following factors:

- (i) The loss from the fair value change of Stonehold investment and the Symbio Infrastructure investment (formerly known as GNL Quebec investment); and
- (ii) The loss shared from Weipin as an associate from 22 June 2021 to 30 September 2021.

*Note 5:* The discontinued operation represents the business from the online ride-hailing services provided by Weipin. The financial results of Weipin ceased to be consolidated into the financial statements of the Company after the Company no longer had controls on the board and any decision-making process of Weipin on 21 June 2021 (the “**Deconsolidation Date**”). The profit from discontinued operation during the Reporting Period includes the net loss recorded for the period between 1 April 2021 and the Deconsolidation Date for an amount of approximately HK\$34.3 million and the gain recorded on deemed disposal of Weipin at Deconsolidation Date for an amount of approximately HK\$91.2 million. The comparative figures represent a loss of an amount of approximately HK\$40.0 million for the period between 1 April 2020 and 30 September 2020. Please refer to Note 7 to the unaudited interim financial information for further information.

## OPERATING SUMMARY

		<b>Six months ended</b>	
		<b>30 September</b>	
		<b>2021</b>	<b>2020</b>
		<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Continuing Operations —</b>	<b>Upstream oil and gas business</b>		
	<b>from Hongbo Mining</b>		
<b>Global Energy Investment</b>	Gross production volume (barrels)		
	(Note 1)	<b>151,684</b>	169,827
	Gross sales volume (barrels)		
	(Note 1)	<b>151,410</b>	175,311
	Net sales volume (barrels)	<b>121,128</b>	140,248
	Average unit selling price		
	(HK\$ per barrel) (Note 1)	<b>538</b>	310
	Average daily gross production		
	volume (barrels)	<b>843</b>	943
	Average unit production cost		
	before depreciation and		
	amortisation (HK\$ per barrel)		
	(Note 1)	<b>154</b>	83
	Average unit production cost		
	(HK\$ per barrel) (Note 1)	<b>326</b>	226
	Wells drilled during the period		
	— Dry holes (unit)	—	—
	— Oil producers (unit) (Note 2)	—	—
	Fracturing workover during		
	the period (unit)	<b>6</b>	—
	<b>Key investment (loss)/income</b>		
	Stonehold investment		
	(Note 3 and 8)	<b>(294,005)</b>	22,613
	JOVO investment (Note 4 and 8)	<b>134,088</b>	6,222
	Symbio Infrastructure investment		
	(formerly GNL Quebec		
	investment) (Note 5 and 8)	<b>(68,343)</b>	(2,211)
<b>Discontinued Operation —</b>	<b>Mobility services businesses</b>		
	<b>from Weipin</b>		
<b>Mobility Service Businesses</b>	Total orders (Orders)		
	(Note 6, 7 and 8)	<b>31,349,364</b>	10,157,569
	Average daily order(s)		
	(Note 6, 7 and 8)	<b>344,499</b>	55,506
	Average revenue per order (HK\$)		
	(Note 7 and 8)	<b>24</b>	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 was used in the calculation of average unit production cost and average unit production cost before depreciation and amortisation which includes 20% of crude oil production volume as the entitlement for Shaanxi Yanchang Petroleum (Group) Company Limited (Yanchang Oil Mineral Administrative Bureau\* (陝西延長石油(集團)有限責任公司(延長油礦管理局)) (“**Yanchang**”). The average unit selling price was calculated using the net sales amount and net sales volume which excludes Yanchang's 20% entitlement. Gross sales volume equals to the net sales volume plus Yanchang's 20% entitlement.

*Note 2:* Since 2020, Hongbo Mining halted all well-drilling activities in response to the adverse effect of the COVID-19 pandemic and the imbalance of the global oil supply and demand.

*Note 3:* The loss from the Stonehold investment was mainly attributable to the fair value change from the Stonehold investment. The said loss was incurred as a result of the burgeoning global promotion of carbon neutralization as the international community acts decisively to combat climate change and limit global warming. Such acts have, directly and indirectly, promoted and induced the use of natural gas and other alternative renewable energy and consequently reduced the long-term demand for fossil fuels like crude oil and caused the expected long-term low oil price.

*Note 4:* The investment gain from fair value change of JOVO investment was mainly due to the completion of its IPO and the commencement of trading of its shares on the Shanghai Stock Exchange on 25 May 2021.

*Note 5:* The loss from Symbio Infrastructure investment (formerly known as GNL Quebec investment) mainly resulted from the Quebec provincial government's surprising announcement that it would not approve environmental permits for Symbio Infrastructure's Terminal.

*Note 6:* Weipin became a subsidiary of the Company engaged in the online car-hailing mobility business in November 2019 and ceased to be consolidated into the financial statements of the Company with effect from 21 June 2021.

*Note 7:* 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 from 1 April 2021 to 21 June 2021. The significant increase of the total orders and average daily orders was mainly due to the expansion of its operation to the new cities and the containment of the COVID-19 pandemic in China, and the significant restoration of people's enthusiasm and frequency for travelling starting from second half of 2020.

*Note 8:* 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 the purpose of this interim results announcement, unless otherwise indicated, exchange rates used are for the purpose of illustration only and do not constitute a representation that any amount has been, could have been or may be exchanged at such rate or any other rate or at all on the date or dates in question or any other date. In respect of information of exchange rates that have been previously disclosed in the Company's announcements, the same exchange rates as disclosed in the respective announcements have been used herein.

\* For identification purposes only

## FINANCIAL RESULTS

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS

for the six months ended 30 September 2021 — unaudited  
(Expressed in Hong Kong dollars)

		Six months ended 30 September	
	Note	2021 HK\$'000	2020 HK\$'000 (Restated)
<b>Continuing operations</b>			
Revenue from sales		65,212	43,236
Cost of sales		(49,403)	(38,410)
		<u>15,809</u>	<u>4,826</u>
Investment (loss)/income		(257,805)	11,300
<b>Total (loss)/income from principal business activities, net of cost</b>	4(a)	(241,996)	16,126
Other net gains		287	60
Administrative expenses		(30,800)	(23,144)
Taxes other than income tax		(5,859)	(3,315)
Exploration expenses, including dry holes		(427)	(806)
<b>Loss before net finance income and taxation from continuing operations</b>		(278,795)	(11,079)
Finance income		5,472	7,385
Finance costs		(4,049)	(6,087)
Net finance income	5(a)	<u>1,423</u>	<u>1,298</u>
<b>Loss before taxation from continuing operations</b>	5	(277,372)	(9,781)
Income tax	6	(1,635)	(1,763)
<b>Loss for the period from continuing operations</b>		(279,007)	(11,544)
<b>Discontinued operation</b>			
Profit/(loss) for the period from discontinued operation	7	<u>56,924</u>	<u>(40,013)</u>
<b>Loss for the period</b>		<u>(222,083)</u>	<u>(51,557)</u>

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS**  
*for the six months ended 30 September 2021 — unaudited*  
*(Expressed in Hong Kong dollars)*

		<b>Six months ended</b>	
		<b>30 September</b>	
	<i>Note</i>	<b>2021</b>	2020
		<b>HK\$'000</b>	<b>HK\$'000</b>
			(Restated)
<b>Attributable to:</b>			
Equity shareholders of the company		<b>(199,790)</b>	(25,613)
Non-controlling interests		<b>(22,293)</b>	(25,944)
		<u>(222,083)</u>	<u>(51,557)</u>
<b>Loss for the period</b>		<b>(222,083)</b>	<b>(51,557)</b>
<b>Earnings/(loss) per share</b>	8		
<b>Basic and diluted</b>			
— Continuing and discontinued operations		<b>HK\$(2.899 cent)</b>	HK\$(0.388 cent)
— Continuing operations		<b>HK\$(4.048 cent)</b>	HK\$(0.175 cent)
— Discontinued operation		<b>HK\$1.149 cent</b>	HK\$(0.213 cent)



**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME**

*for the six months ended 30 September 2021 — unaudited*

*(Expressed in Hong Kong dollars)*

		<b>Six months ended</b>	
		<b>30 September</b>	
	<i>Note</i>	<b>2021</b>	2020
		<b>HK\$'000</b>	<b>HK\$'000</b>
			(Restated)
<b>Loss for the period</b>		<b>(222,083)</b>	(51,557)
<b>Other comprehensive income for the period</b>			
<b>(after tax and reclassification adjustments)</b>			
<i>Items that will not be reclassified to profit or loss:</i>			
Equity investments at FVOCI			
— net movement in fair value reserve			
(non-recycling)		—	(6,372)
<i>Items that may be reclassified subsequently to</i>			
<i>profit or loss:</i>			
Exchange reserve released upon			
deemed disposal of Weipin	7	(6,111)	—
Exchange differences on translation of:			
— financial statements of overseas subsidiaries		9,005	33,652
<b>Other comprehensive income for the period</b>		<b>2,894</b>	27,280
<b>Total comprehensive income for the period</b>		<b>(219,189)</b>	(24,277)
<b>Attributable to:</b>			
Equity shareholders of the Company		(199,106)	(4,672)
Non-controlling interests		(20,083)	(19,605)
<b>Total comprehensive income for the period</b>		<b>(219,189)</b>	(24,277)

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 30 September 2021 — unaudited

(Expressed in Hong Kong dollars)

		At 30 September 2021	At 31 March 2021
	<i>Note</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Non-current assets</b>			
Property, plant and equipment		558,063	570,161
Construction in progress		3,151	3,106
Intangible assets		24,636	333,806
Goodwill		–	112,837
Right-of-use assets		14,976	18,661
Interest in associates		290,943	46,597
Financial assets at fair value through profit or loss	9	716,514	1,288,153
Other non-current assets		23,272	33,632
Deferred tax assets		–	10,101
		<u>1,631,555</u>	<u>2,417,054</u>
<b>Current assets</b>			
Inventories		4,635	4,718
Trade receivables	10	14,291	54,648
Bills receivable	10	7,202	24,965
Other receivables	10	38,637	19,003
Prepayments		7,834	26,974
Financial assets at fair value through profit or loss	9	329,046	35,495
Time deposits with maturities over three months but within one year		474,887	38,875
Cash and cash equivalents		497,467	983,792
		<u>1,373,999</u>	<u>1,188,470</u>
<b>Current liabilities</b>			
Trade and other payables	11	154,626	326,622
Contract liabilities		–	368
Bank and other borrowings		7,202	23,664
Convertible bond	12	37,928	–
Lease liabilities		3,174	5,189
		<u>202,930</u>	<u>355,843</u>
<b>Net current assets</b>		<u>1,171,069</u>	<u>832,627</u>
<b>Total assets less current liabilities</b>		<u>2,802,624</u>	<u>3,249,681</u>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION***at 30 September 2021 — unaudited**(Expressed in Hong Kong dollars)*

		<b>At 30 September</b>	At 31 March
		<b>2021</b>	2021
	<i>Note</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Non-current liabilities</b>			
Convertible bond	<i>12</i>	–	36,145
Lease liabilities		<b>2,311</b>	4,164
Deferred tax liabilities		<b>30,278</b>	107,913
Provisions		<b>64,908</b>	57,180
		<u>97,497</u>	<u>205,402</u>
<b>NET ASSETS</b>		<u><b>2,705,127</b></u>	<u>3,044,279</u>
<b>CAPITAL AND RESERVES</b>			
Share capital	<i>13(b)</i>	<b>68,917</b>	68,917
Reserves		<b>2,636,210</b>	2,835,316
<b>Total equity attributable to equity shareholders of the company</b>		<b>2,705,127</b>	2,904,233
<b>Non-controlling interests</b>		–	140,046
<b>TOTAL EQUITY</b>		<u><b>2,705,127</b></u>	<u>3,044,279</u>

## 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 2021, the Company is an investment holding company, principally engaged in the investment and management of different assets and businesses, currently including global energy assets and the mobility services business. The principal activities of its subsidiaries and invested portfolio companies consist of mobility services platform, oil and gas business and investment fund management in related businesses and sectors.

At 30 September 2021, the directors consider the immediate parent of the Group to be Titan Gas Technology Investment Limited (“Titan Gas”), incorporated in the British Virgin Islands, which is 75.73% held by Titan Gas Technology Holdings Limited. Titan Gas Technology Holdings Limited is owned as to 35.13% by Standard Gas Capital Limited, 49.14% by IDG-Accel China Capital II L.P. and IDG-Accel China Capital II Investors L.P., 8.05% by Mr. Wang Jingbo and 6.87% by Kingsbury International Holdings Co., Ltd., 0.73% by Zhang Weiwei and 0.08% by Bryce Wayne Lee.

### 2 BASIS OF PREPARATION

This interim financial information has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange, including compliance with Hong Kong Accounting Standard (HKAS) 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants (HKICPA). It was authorised for issue on 26 November 2021.

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 2021, except for the accounting policy changes that are expected to be reflected in annual financial statements for the year ending 31 March 2022. 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 2021. 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 16, *Covid-19-related rent concessions beyond 30 June 2021*
- Amendments to HKFRS 9, HKAS 39 and HKFRS 7, HKFRS 4 and HKFRS 16, *Interest rate benchmark reform — phase 2*

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

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

As disclosed in note 7, the total income/(loss) from principal business activities, net of cost generated by the mobility services businesses segment is presented as discontinued operation. The amount of each significant category of revenue from continuing operations and discontinued operation recognised is as follows:

Six months ended 30 September	Continuing operations		Discontinued operation		Total	
	2021	2020	2021	2020	2021	2020
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		(Restated)		(Restated)		(Restated)
Revenue from contracts with customers and recognised at point in time within the scope of HKFRS 15						
— sales of crude oil (note (i))	65,212	43,236	—	—	65,212	43,236
— rendering of mobility services (note (ii))	—	—	751,157	291,632	751,157	291,632
Cost of sales and services						
— sales of crude oil	(49,403)	(38,410)	—	—	(49,403)	(38,410)
— rendering of mobility services	—	—	(760,166)	(313,724)	(760,166)	(313,724)
	15,809	4,826	(9,009)	(22,092)	6,800	(17,266)
Investment (loss)/income (note (iii))	(257,805)	11,300	—	—	(257,805)	11,300
Total (loss)/income from principal business activities, net of cost	<u>(241,996)</u>	<u>16,126</u>	<u>(9,009)</u>	<u>(22,092)</u>	<u>(251,005)</u>	<u>(5,966)</u>

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 January 2021 and the expiry date of the EPCC is extended to 30 June 2022. 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, and the current exploration permit in respect of Block 378 will expire on 20 February 2026. The amount of revenue 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 service is generated by Weipin. Revenue from rendering of mobility services is generated from rendering of online ride-hailing services to the passengers through Gaode, Didi and other platforms. Passengers send requests for mobility service through these 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 (loss)/income**

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2021</b>	2020
	<b>HK\$'000</b>	HK\$'000
Stonehold investment ( <i>note (1)</i> )	<b>(294,005)</b>	22,613
JOVO investment ( <i>note (1)</i> )	<b>134,088</b>	6,222
Symbio Infrastructure investment (formerly known as GNL Quebec investment) ( <i>note (1)</i> )	<b>(68,343)</b>	(2,211)
Trading securities listed in the U.S. and France ( <i>note (1)</i> )	–	1,158
LNGL investment ( <i>note (1)</i> )	–	(12,713)
ssLNG solution investment ( <i>note (1)</i> )	<b>(12,925)</b>	(10)
Fund investment ( <i>note (1)</i> )	<b>(1,150)</b>	(2,480)
Dividend income ( <i>note (2)</i> )	<b>2,984</b>	892
Share of losses of associates ( <i>note (3)</i> )	<b>(18,454)</b>	(2,189)
Others	–	18
	<b>(257,805)</b>	<b>11,300</b>

*Notes:*

- (1) These amounts represent fair value changes on the Stonehold investment, JOVO investment, Symbio Infrastructure investment (formerly known as GNL Quebec investment), trading securities listed in the U.S. and France, LNGL investment and investment income from the fund for the six months ended 30 September 2021. 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, trading securities listed in the U.S., and Fund investment.
- (3) The amount represents share of associates' 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 invests 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 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.

The Group was deemed to dispose the mobility services businesses segment which is principally engaged in online ride-hailing services to the passengers through aggregation traffic platform on 21 June 2021. The results of the mobility services business segment for the period from 1 April 2021 to 21 June 2021 was classified as discontinued operation accordingly. The discontinued operation has resulted in a change in the Company and its subsidiaries' structure and therefore its composition of reporting segment. The comparative figures of segment disclosure have been represented to conform to current period presentation.

(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 period is set out below.

Six months ended 30 September	Continuing operations Global energy investment		Discontinued operation Mobility services businesses		Total	
	2021	2020	2021	2020	2021	2020
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		(Restated)		(Restated)		(Restated)
Revenue from sales and services ( <i>note (1)</i> )	<b>65,212</b>	43,236	<b>751,157</b>	291,632	<b>816,369</b>	334,868
Investment (loss)/income	<b>(257,805)</b>	11,300	–	–	<b>(257,805)</b>	11,300
<b>Reportable segment (loss)/ profit (adjusted EBITDA)</b>	<b>(246,625)</b>	20,876	<b>68,831</b>	(6,975)	<b>(177,794)</b>	13,901
Depreciation and amortisation	<b>(28,072)</b>	(26,809)	<b>(23,998)</b>	(42,960)	<b>(52,070)</b>	(69,769)
Interest income	<b>3,440</b>	7,018	<b>99</b>	27	<b>3,539</b>	7,045
Interest expense	<b>(2,435)</b>	(3,638)	<b>(461)</b>	(316)	<b>(2,896)</b>	(3,954)
Impairment loss on trade receivables	–	–	<b>(4,394)</b>	–	<b>(4,394)</b>	–
As at 30 September/ 31 March 2021						
<b>Reportable segment assets</b>	<b>3,005,554</b>	3,022,112	–	586,058	<b>3,005,554</b>	3,608,170
<b>Reportable segment liabilities</b>	<b>(270,149)</b>	(260,874)	–	(205,205)	<b>(270,149)</b>	(466,079)

*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	Continuing operations		Discontinued operation		Total	
	2021	2020	2021	2020	2021	2020
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		(Restated)		(Restated)		(Restated)
<b>Profit/(loss)</b>						
Reportable segment (loss)/profit (adjusted EBITDA)	(246,625)	20,876	68,831	(6,975)	(177,794)	13,901
Elimination of inter-segment profits	(240)	(210)	–	–	(240)	(210)
Depreciation and amortisation	(28,072)	(26,809)	(23,998)	(42,960)	(52,070)	(69,769)
Interest expense	(2,435)	(3,638)	(221)	(106)	(2,656)	(3,744)
Consolidated (loss)/profit before taxation	<u>(277,372)</u>	<u>(9,781)</u>	<u>44,612</u>	<u>(50,041)</u>	<u>(232,760)</u>	<u>(59,822)</u>

5 PROFIT/(LOSS) BEFORE TAXATION

Profit/(loss) before taxation is arrived at after charging/(crediting):

(a) Net finance income/(costs)

Six months ended 30 September	Continuing operations		Discontinued operation		Total	
	2021	2020	2021	2020	2021	2020
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		(Restated)		(Restated)		(Restated)
Interest income	3,200	6,808	99	27	3,299	6,835
Net gain on bank financing products	682	577	–	–	682	577
Foreign exchange gain/(loss), net	1,590	(1,166)	–	–	1,590	(1,166)
Interest on bank and other borrowings	(333)	(690)	(79)	(47)	(412)	(737)
Interest on convertible bond	(1,972)	(2,728)	–	–	(1,972)	(2,728)
Interest on lease liabilities	(130)	(220)	(142)	(59)	(272)	(279)
Accretion expenses	(1,445)	(1,259)	–	–	(1,445)	(1,259)
Others	(169)	(24)	–	–	(169)	(24)
	<u>1,423</u>	<u>1,298</u>	<u>(122)</u>	<u>(79)</u>	<u>1,301</u>	<u>1,219</u>

(b) Other items

Six months ended 30 September	Continuing operations		Discontinued operation		Total	
	2021	2020	2021	2020	2021	2020
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		(Restated)		(Restated)		(Restated)
Amortisation	1,464	1,379	22,882	41,789	24,346	43,168
Depreciation						
— property, plant and equipment	24,960	23,535	106	78	25,066	23,613
— right-of-use assets	1,648	1,895	1,010	1,093	2,658	2,988

## 6 INCOME TAX

Six months ended 30 September	Continuing operations		Discontinued operation		Total	
	2021	2020	2021	2020	2021	2020
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		(Restated)		(Restated)		(Restated)
Current tax						
— Hong Kong Profits Tax	—	—	—	—	—	—
— PRC Corporate Income Tax	6,035	2,247	—	—	6,035	2,247
Deferred tax						
— Origination and reversal of temporary differences	(4,400)	(484)	(12,312)	(10,028)	(16,712)	(10,512)
	<u>1,635</u>	<u>1,763</u>	<u>(12,312)</u>	<u>(10,028)</u>	<u>(10,677)</u>	<u>(8,265)</u>

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% (2020: 16.5%) of the estimated assessable profits.

The provision for PRC current income tax is based on a statutory rate of 25% (2020: 25%) of the assessable profit as determined in accordance with the relevant income tax rules and regulations of the PRC.

## 7 DISCONTINUED OPERATION

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 agreed to subscribe for certain equity shares in Weipin. Upon completion of this transaction with a total investment of approximately RMB200 million, the Company has become the controlling shareholder of Weipin effectively holding 35.5% of its total share capital and Weipin has become the holding company of the mobility services platform business.

On 21 June 2021, to provide the management of Weipin with more flexibility in terms of decision making over its operations, through amicable negotiations, the shareholders of Weipin agreed to enter into an amended shareholders’ agreement so as to, among other things, make adjustments to the structure of the board of Weipin, of which the Company agrees to lower its number of designated directors from 3 to 2 directors in the board of Weipin (the “Adjustment”). After the Adjustment, the Company no longer had control over the relevant activities of Weipin. Pursuant to the relevant regulatory requirements and accounting standards, Weipin ceased to be consolidated into the financial statements of the Company with effect from 21 June 2021 (“Deemed disposal of Weipin”). The shareholding percentage held by the Company in Weipin remains unchanged (i.e. 35.5%), and Weipin continues to be a portfolio company invested by the Company.

Weipin is principally engaged in the online ride-hailing services business. The results of Weipin for the period from 1 April 2021 to 21 June 2021 have been presented as discontinued operation in the financial statements in accordance with HKFRS 5, *Non-current Assets Held for Sale and Discontinued Operations* and the comparative figures of the statement of profit or loss and other comprehensive income and corresponding notes have been restated to show the discontinued operation separately from continuing operations.

**(a) Results of discontinued operation:**

		<b>Six months ended</b>	
		<b>30 September</b>	
		<b>2021</b>	<b>2020</b>
	<i>Note</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue from services	4(b)	751,157	291,632
Cost of services		<u>(760,166)</u>	<u>(313,724)</u>
		<b>(9,009)</b>	<b>(22,092)</b>
Administrative expenses		<b>(32,421)</b>	<b>(27,838)</b>
Taxes other than income tax		<b>(688)</b>	<b>(32)</b>
Impairment loss on trade receivables		<u><b>(4,394)</b></u>	<u>–</u>
Loss from operation		<b>(46,512)</b>	<b>(49,962)</b>
Net finance costs	5	<u><b>(122)</b></u>	<u><b>(79)</b></u>
Loss before taxation		<b>(46,634)</b>	<b>(50,041)</b>
Income tax	6	<u><b>12,312</b></u>	<u>10,028</u>
Loss for the period		<b>(34,322)</b>	<b>(40,013)</b>
Gain on deemed disposal of Weipin	7(c)	<u><b>91,246</b></u>	<u>–</u>
Profit/(loss) from discontinued operation		<u><u><b>56,924</b></u></u>	<u><u><b>(40,013)</b></u></u>

**(b) Cash flows generated from discontinued operation:**

	<b>For the period</b>	
	<b>from 1 April</b>	<b>Six months</b>
	<b>2021 to</b>	<b>ended</b>
	<b>21 June</b>	<b>30 September</b>
	<b>2021</b>	<b>2020</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Net cash (used in)/generated from operating activities	<b>(61,357)</b>	13,154
Net cash used in investing activities	<b>(4,077)</b>	(5,985)
Net cash used in financing activities	<u><b>(645)</b></u>	<u>(1,349)</u>
Net cash (outflow)/inflow	<u><u><b>(66,079)</b></u></u>	<u><u>5,820</u></u>

(c) **Gain on deemed disposal of Weipin**

	<b>As at 21 June 2021 HK\$'000</b>
Fair value of remaining interests in Weipin	263,998
Less:	
Property, plant and equipment	(1,685)
Intangible assets	(290,715)
Right-of-use assets	(8,086)
Other non-current assets	(1,027)
Goodwill	(112,837)
Deferred tax assets	(17,042)
Trade and other receivables	(95,014)
Cash and cash equivalents	(16,315)
Trade and other payables	166,246
Lease liabilities	8,278
Deferred tax liability	69,371
Exchange reserve released upon deemed disposal of Weipin	6,111
Non-controlling interests	119,963
	<hr/>
<b>Gain on deemed disposal of Weipin</b>	<b>91,246</b>
	<hr/> <hr/>

The fair value of remaining interests is determined based on a discounted cash flow forecast. The Company used best-low scenarios with 50% possibilities applied separately to each scenario to reach a fair value. These calculations used cash flow projections based on financial budgets approved by management covering a five-year period.

Under the best scenario, the Company used an estimated weighted average growth rate of 3% for cash flows beyond the five-year period which was consistent with the forecasts included in industry reports. The growth rates used did not exceed the long-term average growth rates for the business in which Weipin operates.

Under the low scenario, the Company didn't consider the cash flows beyond five-year period, while referred to the market multiplier of comparable listed companies as the exit multiple to calculate the terminal value at the end of five-year period. EV/revenue multiple of 2.7 was adopted after considering the discount for lack of marketability ("DLOM") of 36%.

The cash flows in sustainable growth method were discounted using a discount rate of 29%, which was post-tax and reflected specific risks relating to the relevant segment.

## 8 EARNINGS/(LOSS) PER SHARE

The calculation of basic and diluted earnings/(loss) per share is based on the loss attributable to ordinary equity shareholders of the Company of HK\$199,790,000 (six months ended 30 September 2020: loss HK\$25,613,000) and the weighted average of 6,891,710,000 ordinary shares (six months ended 30 September 2020: 6,594,095,000 shares) in issue during the interim period, calculated as follows:

### (1) (Loss)/profit attributable to ordinary equity shareholders of the Company

	Six months ended 30 September	
	2021	2020
	HK\$'000	HK\$'000
		(Restated)
— From continuing operations	(279,007)	(11,544)
— From a discontinued operation	79,217	(14,069)
	<u>(199,790)</u>	<u>(25,613)</u>

### (2) Weighted average number of ordinary shares

	Six months ended 30 September	
	2021	2020
	HK\$'000	HK\$'000
Weighted average number of ordinary shares	<u>6,891,710</u>	<u>6,594,095</u>

No adjustment has been made to the basic loss per share amounts presented for the six months ended 30 September 2021 and 2020 in respective of a dilution as the impact of the conversational bond had an anti-dilutive effect on the basic loss from continuing operations per share amounts presented.

## 9 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	At 30 September 2021 HK\$'000	At 31 March 2021 HK\$'000
<b>Non-current assets</b>		
Stonehold investment ( <i>note (a)</i> )	630,610	964,430
JOVO investment ( <i>note (b)</i> )	—	170,950
Symbio Infrastructure investment (formerly known as GNL Quebec investment) ( <i>note (c)</i> )	—	68,342
ssLNG solution investment ( <i>note (d)</i> )	12,184	25,109
Fund investment ( <i>note (e)</i> )	73,720	59,322
	<u>716,514</u>	<u>1,288,153</u>
<b>Current assets</b>		
JOVO investment ( <i>note (b)</i> )	305,038	—
Bank financing products	24,008	35,495
	<u>329,046</u>	<u>35,495</u>

*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 comprehensive clean energy service provider focusing on the mid-stream and terminal aspect of the gas industry. It offers a wide range of clean energy and related products, such as liquefied natural gas (LNG), liquefied petroleum gas (LPG) and methanol, and comprehensive solutions of international energy provision and integrated application.

On 25 May 2021, JOVO successfully completed its IPO and listed its shares on the Shanghai Stock Exchange.

- (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 Symbio Infrastructure Limited Partnership (“Symbio Infrastructure”) (formerly known as “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 Symbio Infrastructure to support ongoing development. On 30 December 2018, Golden Libra has transferred Symbio Infrastructure investment to Valuevale.

Symbio Infrastructure, through its wholly-owned subsidiary Symbio Infrastructure Inc., is developing a state-of-the-art and low-carbon-emission LNG exporting terminal (the “Terminal”) with a maximum nameplate liquefaction capacity of up to eleven million tons per annum.

However, on July 21, 2021, the Quebec Provincial government surprisingly announced that it would not approve environmental permits for Symbio Infrastructure’s Terminal. The Terminal is still undergoing the final steps of Canada’s federal regulatory process, with a permitting decision currently anticipated in December 2021.

- (d) On 15 July 2020, the Company entered into a subscription agreement with a small scale LNG solution provider (“LNG solution provider”) at an aggregate subscription price of US\$3 million (approximately HK\$23.2 million). LNG solution provider aims to solve defining challenges in strategy, operational excellence, sustainability and new business development for energy industry clients across Asian market.
- (e) On 8 June 2020, Valuefort Investment Limited (“Valuefort”), a wholly-owned subsidiary of the Company, and general partner of IDG Capital Project Fund II, L.P. entered into an subscription agreement for the admission of Valuefort as the subscriber into the Fund. Pursuant to the agreement, Valuefort proposed to make capital commitments of US\$20 million (equivalent to approximately HK\$155.05 million). As at 30 September 2021, the total capital contributed by Valuefort was US\$8.6 million (equivalent to approximately HK\$66.8 million).

## 10 TRADE AND OTHER RECEIVABLES

All of the trade and other receivables are expected to be recovered or recognized 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 2021 <i>HK\$'000</i>	At 31 March 2021 <i>HK\$'000</i>
Within 1 month	14,291	51,216
1 to 6 months	–	3,432
Trade receivables, net of allowance for doubtful debts	<u>14,291</u>	<u>54,648</u>
Bills receivable	7,202	24,965
Other receivables	<u>38,637</u>	<u>19,003</u>
	<u><u>60,130</u></u>	<u><u>98,616</u></u>

## 11 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 2021 <i>HK\$'000</i>	At 31 March 2021 <i>HK\$'000</i>
Within 1 year	23,579	178,599
Over 1 year but within 2 years	12,652	15,341
Over 2 years but within 3 years	3,733	3,376
Over 3 years	<u>8,617</u>	<u>10,147</u>
Trade payables	48,581	207,463
Taxes other than income tax payable	16,775	20,849
Income tax payable	9,621	1,524
Payable due to Yanchang	59,600	65,346
Interest payable	10,724	10,568
Others	<u>9,325</u>	<u>20,872</u>
	<u><u>154,626</u></u>	<u><u>326,622</u></u>



## 12 CONVERTIBLE BOND

	<b>Liability component</b> <i>HK\$'000</i>	<b>Equity component</b> <i>HK\$'000</i>	<b>Total</b> <i>HK\$'000</i>
<b>At 1 April 2021</b>	36,145	57,412	93,557
Interest expenses ( <i>note 5(a)</i> )	1,972	–	1,972
Interest payable	(189)	–	(189)
	<u>37,928</u>	<u>57,412</u>	<u>95,340</u>
<b>At 30 September 2021</b>	<u>37,928</u>	<u>57,412</u>	<u>95,340</u>

### Notes:

- (a) 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.

- (b) 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.

- (c) 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.
- (d) On 22 August 2018, Titan Gas transferred parts of the convertible bonds with the nominal value of HK\$16,832,526 to three entities.
- (e) 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.
- (f) On 9 March 2021, Titan Gas transferred part of the convertible bond with the nominal value of HK\$6,048,000 to one entity. On 11 March 2021, Titan Gas and the other convertible bond holder exercised the conversion rights to convert their convertible bonds with the nominal value of HK\$13,952,000 and HK\$6,048,000 into 207,619,047 and 90,000,000 ordinary shares respectively. At 30 September 2021, the remaining convertible bond with nominal value of HK\$40,000,000 (31 March 2021: HK\$40,000,000) was solely held by Titan Gas.

## 13 CAPITAL, RESERVES AND DIVIDENDS

### (a) Dividends

No dividends were paid, declared or proposed during the six months ended 30 September 2021 and 2020.

### (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
<i>Note</i>						
<b>Shares of HK\$0.01 each</b>						
<b>Authorised:</b>						
At 1 April 2020, 31 March 2021 and 30 September 2021	11,000,000	110,000	5,000,000	50,000	16,000,000	160,000
<b>Issued, paid or payable:</b>						
At 1 April 2020	6,594,867	65,959	–	–	6,594,867	65,959
Purchase of own shares ( <i>Note</i> )	<u>(776)</u>	<u>(18)</u>	<u>–</u>	<u>–</u>	<u>(776)</u>	<u>(18)</u>
At 30 September 2020	<u>6,594,091</u>	<u>65,941</u>	<u>–</u>	<u>–</u>	<u>6,594,091</u>	<u>65,941</u>
Conversion of convertible bond	<i>12</i> <u>297,619</u>	<u>2,976</u>	<u>–</u>	<u>–</u>	<u>297,619</u>	<u>2,976</u>
At 31 March 2021 and 30 September 2021	<u>6,891,710</u>	<u>68,917</u>	<u>–</u>	<u>–</u>	<u>6,891,710</u>	<u>68,917</u>

*Notes:*

During the six months ended 30 September 2020 and 2021, the Company repurchase its own shares on the Stock Exchange as follow:

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	<u>776,000</u>	0.89	0.80	<u>655</u>

All the repurchased shares were cancelled by the Company upon such repurchase and, accordingly, the issued share capital of the Company was reduced by the nominal value of these shares. The premium payable on the repurchase was charged against the share premium account.

## 14 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	
	2021 HK\$'000	2020 HK\$'000
Short-term employee benefits	3,267	3,484
Post-employment benefits	96	6
	<u>3,363</u>	<u>3,490</u>

### (b) Financing arrangements

	Amounts owed to the Company by related parties		Related interest income	
	At 30 September 2021 HK\$'000	At 31 March 2021 HK\$'000	Six months ended 30 September 2021 HK\$'000	2020 HK\$'000
Loans to members of key management personnel	–	3,000	–	60
Loans to an associate	12,782	–	938	–
Loans from an associate	777	–	11	–

### (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	
	2021 HK\$'000	2020 HK\$'000
With the immediate holding company		
— increase in interest payable on convertible bond ( <i>Note</i> )	189	300
— interest paid on the convertible bond	–	(299)

*Note:*

Interest on the convertible bond was payable to Titan Gas at 1% per annum. As at 30 September 2021, Titan Gas held the Company's convertible bond with principal amount of HK\$40,000,000. Details of the transaction and the terms of the convertible bond were disclosed in note 12.

The outstanding balances with related parties are as follows:

	At 30 September 2021 <i>HK\$'000</i>	At 31 March 2021 <i>HK\$'000</i>
Trade and other payables		
— immediate holding company	530	341
Convertible bond (liability component)		
— immediate holding company	37,928	36,145

## 15 NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

### (a) Impact of COVID-19

After experiencing a severe impact of the COVID-19 epidemic in 2020, the international crude oil market has bounced back strongly in 2021. The crude oil prices have shown a periodic upward trend in the first three quarters. From the supply side, based on the normal production control policy of OPEC+, Saudi Arabia has reduced its oil production in the first four months of this year. And since May, OPEC+ has extended the period of production cuts until the end of 2022, increasing concerns about tight supply. From the demand side, amid the global vaccination against COVID-19, the epidemic has considerably been contained. Some countries have begun to gradually remove all restrictions and bans during the epidemic, which has bolstered a recovery in demand for crude oil. With the stimulus of loose monetary policies being implemented, the global economy has rebounded substantially, which, in turn, resurrected the overall global energy consumption demand. However, in the long run, the driving factors of crude oil demand-transportation and chemical products will be affected by the global carbon peak and carbon neutral policies adopted by the major countries around the world. According to third party's forecast, demand of crude oil will be reduced by 25% in 2030 and 50% in 2040, which in turn may cause crude oil prices to fall under pressure in the long run.

### (b) Share award scheme

The Company has adopted a share award scheme (the “**Share Award Scheme**”) on 6 August 2021. The purposes of the Share Award Scheme are to recognise and reward the contribution of certain Eligible Participants to the growth and development of the Company and its subsidiaries, to give incentives to Eligible Participants in order to retain them for the continual operation and development of the Company and its subsidiaries, and to attract suitable personnel for further development of the Company and its subsidiaries.

Tricor Trust (HK) Limited, a company incorporated in Hong Kong and authorised to undertake trust business in accordance with the laws of Hong Kong, was appointed as the trustee (the “**Trustee**”) for the administration of the Share Award Scheme.

On 7 October 2021, 60,120,000 Awarded Shares, representing 0.87% of the total shares in issue, were granted to 10 employees of the Company and its subsidiaries (the “**Grantees**”) pursuant to the terms of the Share Award Scheme at nil consideration. Among these Awarded Shares granted, 25,050,000 Awarded Shares were vested immediately on 7 October 2021 and the remaining 35,070,000 shares shall be vested in five equal tranches immediately following each anniversary of the date of grant from 2022 to 2026. The vesting of these Awarded Shares is subject to the satisfaction of certain lock-up and vesting conditions to each of the respective Grantees. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, none of the Grantees is connected with the Company or its connected persons.

## 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 different assets and businesses, currently including global energy assets and the mobility services business. The principal activities of its subsidiaries and invested portfolio companies consist of mobility services platform, oil and gas business and investment fund management in related businesses and sectors.

### 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.

After experiencing a severe impact of the COVID-19 epidemic in 2020, the international crude oil market has bounced back strongly in 2021. The crude oil prices have shown a periodic upward trend in the first three quarters. From the supply side, on the basis of the normal production control from OPEC+, Saudi Arabia has also reduced its oil production in the first four months of this year. And since May, OPEC+ has extended the period of production cuts until the end of 2022, which has raised concerns about tight supply. From the demand side, amid the global vaccination against COVID-19, the epidemic has considerably been contained. Some countries have begun to gradually remove all restrictions and bans during the epidemic, which has bolstered a recovery in demand for crude oil. With the stimulus of loose monetary policies being implemented, the global economy has rebounded substantially, which, in turn, resurrected the overall global energy consumption demand. However, in the long run, the driving factors of crude oil demand — transportation and chemical products — will be affected by the global carbon peak and carbon neutral policies adopted by the major countries around the world. According to a third party forecast, the demand for crude oil will be reduced by 25% in 2030 and 50% in 2040, which in turn may cause crude oil prices to fall under pressure in the long run. The Company will continue to pay close attention to the market and 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 and Yanchang, Yanchang (as the mineral right owner) and Hongbo Mining (as the operator) cooperate to explore for crude oil in Block 212 and Block 378 which cover a combined region of 406 km<sup>2</sup> 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 permits 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 will expire on 20 February 2026.

In response to the adverse effects of the COVID-19 pandemic and the imbalance of the oil supply/demand, Hongbo Mining has quickly adjusted its production target by actively halting all its well drilling activities since 2020. During the Reporting Period, Hongbo Mining has carried out maintenance and fracturing work on existing production wells to ensure stable oil production. As of 30 September 2021, 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 10.7% to 151,684 barrels; its gross and net oil sales volume decreased by approximately 13.6% to 151,410 barrels and 121,128 barrels, respectively. However, due to the increase of crude oil price, its gross revenue (equal to the net revenue from sale of crude oil plus the 20% crude oil entitlement for Yanchang) and net revenue from sales of crude oil increased by approximately 50% to approximately HK\$81.5 million and HK\$65.2 million, respectively, compared to the six months ended 30 September 2020.

Due to natural production decline and to ensure stable oil production against the backdrop of high oil prices, Hongbo Mining has carried out maintenance and fracturing work on existing production wells, and as a result, the average unit production cost increased by HK\$99.7 per barrel, or approximately 44.1%, from HK\$226 per barrel (equivalent to US\$29.2 per barrel) for the six months ended 30 September 2020 to HK\$326 per barrel (equivalent to US\$41.9 per barrel) for the six months ended 30 September 2021. And the average unit production cost before depreciation and amortization increased by HK\$71.0 per barrel, or approximately 85.6%, from HK\$83 per barrel (equivalent to US\$10.7 per barrel) for the six months ended 30 September 2020 to HK\$154 per barrel (equivalent to US\$19.8 per barrel) for the six months ended 30 September 2021.

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

	<b>Six months ended 30 September</b>	
	<b>2021</b>	2020
Average daily gross production volume (barrels)	<b>843</b>	943
Average daily gross sales volume (barrels)	<b>841</b>	974
Average unit production cost before depreciation and amortisation (HK\$ per barrel)	<b>154</b>	83
Average unit production cost (HK\$ per barrel)	<b>326</b>	226
Average unit selling price (HK\$ per barrel)	<b>538</b>	310

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

	<b>Summary of expenditures incurred for the six months ended 30 September</b>			
	<b>2021</b>		2020	
	Number	Cost (HK\$’000) (Unaudited)	Number	Cost (HK\$’000) (Unaudited)
<b>Wells drilled during the year</b>				
Oil producers	–	–	–	31
Dry holes	–	–	–	–
Total	–	–	–	31
<b>Fracturing workover</b>	<b>6</b>	<b>5,634</b>	–	–
<b>Geological and geophysical costs</b>	–	<b>427</b>	–	806

### 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 24,087 gross acres (9,123 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 218 producing wells currently, and the total net production and revenue of the Target Assets for the first half of 2021 were approximately 288,887 boe<sup>Note</sup> and US\$13.5 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.

The cumulative production for the first half of year 2021 was 188,537 barrels of oil equivalent, the average realized oil price was US\$60.3/barrel and the Company recorded a loss in the fair value of the Stonehold investment amounting to US\$43 million during the six months ended 30 September 2021. The loss of fair value change from the Stonehold investment resulted from the burgeoning global promotion of carbon neutralization as the international community acts decisively to combat climate change and limit global warming. Such acts have, directly and indirectly, promoted and induced the use of natural gas and other alternative renewable energy and consequently reduced the long-term demand for fossil fuels like crude oil and caused the expected long-term low oil price.



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.

With the epidemic under control and the subsequent recovery of China’s economy, the consumption of natural gas in the first three quarters of 2021 is about 273.1 billion cubic meters, a year-on-year increase of 14.3%. However, domestic natural gas volume was at 151.8 billion cubic meters, a year-on-year increase of only 10%. Therefore, it is necessary to increase imports to meet China’s growing natural gas demand. Natural gas imports in the first three quarters were 89.852 million tons, an increase of 22.2% compared with the same period last year. The average price of China’s LNG imports in the first three quarters increased by 29% from the same period last year, mainly due to the increase in LNG long-term agreements and spot prices. The pressure on natural gas prices to increase comes from both the supply side and the demand side: on one hand, the low natural gas inventory situation since last winter has not been alleviated, and it is difficult to improve the supply of natural gas in the short term; on the other hand, the economic recovery of major global economies in the later stage of the COVID-19 epidemic has brought about an increase in energy demand, and if there is severe cold in the wintertime, it will further boost the soaring demand. The Company’s LNG investment portfolio was also affected by the aforementioned price increase, and performance was under pressure.

### 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).

On 25 May 2021, JOVO successfully completed its IPO and listed its shares on the Shanghai Stock Exchange (stock code: 605090). The Company holds approximately 2.06% of the enlarged share capital in JOVO after its IPO. JOVO has raised approximately RMB2.68 billion from the IPO and plans to utilize the proceeds for purchasing two state-of-the-art mid-sized LNG vessels and supplementing its working capital in order to further expand its production capacity and improve its profitability.

Subject to the substantial increase in international natural gas prices in 2021, JOVO's LNG procurement costs increased accordingly, resulting in a decrease in JOVO's LNG gross profit margin in the first three quarters. However, there was steady growth in JOVO's LPG business. According to the JOVO's financial accounts for the 9 months ended 30 September 2021, its operating income was RMB11.64 billion, a year-on-year increase of 93.69%, and net profit attributable to the parent was RMB609 million, a year-on-year decrease of 3.91%. As LNG enters the peak demand season in the fourth quarter, domestic spot prices continue to rise sharply. JOVO hopes to grasp the price advantage of LNG long-term agreements relative to the spot market, rationally allocate spot and LNG long-term agreements purchases, so as to enjoy better spreads, and strive for better operating results.

The Company firmly believes that JOVO's business strategy is in line with the trend of a low-carbon economy, and the continuing high demand for natural gas supply in China will keep JOVO growing at a high speed. The investment in JOVO provides a valuable opportunity for the Company to participate in the rapidly growing natural gas market in China with a good prospect of investment return. The completion of the IPO shall drive JOVO to establish a more advanced corporate governance structure, and provide a platform to access more financial resources for its future development. The IPO also provides liquidity to the Company's investment in JOVO, which may help better reflect the market value of the Company's investment in JOVO. The Company will continue to evaluate this investment portfolio from time to time and determine the appropriate investment and divestment strategy to realise optimum financial return.

### 1.2.2 Symbio Infrastructure (formerly 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 Symbio Infrastructure investment (formerly known as GNL Quebec investment) 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 Symbio Infrastructure as at 30 September 2021.

According to the information provided by Symbio Infrastructure LP (“**Symbio Infrastructure**”), through its wholly-owned subsidiaries, it has been 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 has committed to net-zero emissions during the Terminal's construction and operations. Symbio Infrastructure's wholly-owned subsidiary is also developing a 780-km natural gas pipeline (the “**Pipeline**”) to connect the Terminal to TC Energy's Canadian Mainline in Eastern Ontario (together the “**Projects**”). 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 Western Canada and is well-located to deliver cost-competitive LNG to Asia, Europe and South America.

On 21 July 2021, the Quebec provincial government surprisingly announced that it would not approve environmental permits for Symbio Infrastructure's Terminal. The Terminal is still undergoing the final steps of Canada's federal regulatory process, with a permitting decision currently anticipated in December 2021. In parallel, the natural gas global market has recovered strongly post-pandemic with prices in Europe and Asia reaching record highs in the last 4 months, and the Projects — if approved — would be uniquely well-positioned to supply low-cost, low-emission LNG to LNG consumers around the world.

### 1.2.3 JUSDA Energy Investment

On 25 September 2018, the Company, through one of its wholly-owned subsidiaries, had 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 LNG logistics services. The Company made contribution of HK\$43,937,000 and HK\$17,462,200 to JUSDA Energy pursuant to the JV Agreement and the completion of such investment took place on 21 December 2018 and 8 January 2020 respectively. The Company will hold a 39% equity interest upon completion of all capital contribution in JUSDA Energy.

Based on the steady preparations made in previous years, the domestic project — Zhoushan project is expected to enter the trial operation stage at the end of 2021. So far, the construction of key assets such as wharf renovation and yard construction has been completed, which has been configured in place and is currently in the stage of preparation for acceptance and trial operation of key assets. For the overseas project — Japanese transshipment projects, based on the implementation of the first batch of 15,000-ton transshipment contracts in the peak season of 2020/2021, JUSDA Energy signed the second-phase transshipment contract with the upstream liquid source, and more than 90% of the transshipment volume was locked with upstream and downstream customers. The remaining part of the transshipment volume is the company's own trade volume. At present, the transfer is carried out normally according to the two modes of special ship and liner, and the monthly transfer volume is over 500 tank containers.

In addition, relying on the international market resources accumulated by the Company, JUSDA Energy is also identifying opportunities in the natural gas market of emerging economies, and will replicate its business model in emerging markets as soon as possible. At the same time, JUSDA Energy is also advancing the development of storage yards and storage resources to support its business in emerging markets.

At that time, JUSDA, as the sole logistics chain management platform 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 cost. JUSDA Energy will rely on its three transshipment and distribution bases in North China, East China and South China to connect overseas spot LNG sources with the domestic market and emerging markets, and gradually build itself into a leading LNG container operator focusing on transshipment of LNG and supported by the price different LNG markets and cycles.

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 business*

### 2.1 *Weipin Investment*

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 held 35.5% of the equity share of Weipin and had 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>).

On 21 June 2021, the shareholders of Weipin, including the Company, agreed to enter into an amended shareholders’ agreement (the “**Agreement**”) to, among other things, make adjustments to the structure of the board of Weipin in order to provide the management of Weipin with more flexibility in terms of decision making over its operations. Pursuant to the Agreement, the Company agrees to lower its number of designated directors from 3 to 2 directors in the board of Weipin (the “**Adjustment**”). After the Adjustment, the total number of board members in Weipin has decreased from a total of 5 members to 4 members. Thus, the Company no longer has the majority voting right of the board of directors in Weipin and any decision-making power over the management and business activities of Weipin. The shareholding percentage held by the Company in Weipin remains unchanged at 35.5%, and Weipin was reclassified as an investment portfolio of the Company. Under the relevant regulatory requirements and accounting standards, the financial results of Weipin have ceased to be consolidated into the Company’s financial statements, and the investment of Weipin is accounted as interest in an associate under the application of the equity method accounting with effect from 21 June 2021. For details, please refer to the announcement of the Company dated 21 June 2021.

Weipin, through its operating 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 providers represented by “Didi Chuxing” 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 major aggregation traffic platforms on the mobility market, including “Didi”, “Baidu” and “Tong Cheng”, etc. The Mobility OPCOs take full advantage of the scale, traffic and reputation of the aggregation traffic platforms 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 94 major cities of China, such as Guangzhou, Hangzhou and Suzhou, with a total of over 1 million registered car drivers. Due to the COVID-19 pandemic, the expected revenue and the daily order volume generated from the mobility services have been unable to reach full potential during FY2020. In 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 2021, the average daily order volume during the six months ended 30 September 2021 was 280,664 orders. Weipin’s daily average order volume continues to grow due to its expansion into other cities.

“Didi Chuxing” has recently been under inspection by relevant state agencies due to cybersecurity issues. On 2 July 2021, the National Cyber Security Review Office implemented a cyber security review of “Didi Chuxing”. During the review period, “Didi Chuxing” suspended new users’ registration; On 9 July 2021, due to serious violations of laws and regulations in the collection and use of personal information, the National Internet Information Office required all application stores to remove 25 apps such as “Didi Chuxing”; On 16 July 2021, the National Cyberspace Office, together with 7 departments including the Ministry of Public Security, despatched relevant personnel to the office of Didi Chuxing Technology Co., Ltd. to conduct cyber security inspections.

“Didi Chuxing” is the main traffic aggregation platform that Weipin cooperates with. Its suspension of new user registration and application market delisting has directly affected the cooperation between the two parties. At the same time, Weipin’s peer traffic service providers have increased subsidies at both ends of the driver and passenger, and strengthened the recruitment of channel companies and individual online ride-hailing drivers for online ride-hailing driver resources, resulting in a decrease in the average daily order volume of Weipin. In order to reduce the impact of the “Didi Chuxing” incident as much as possible, Weipin has taken actions to actively expand cooperation with new traffic platforms. Currently, on top of “Didi Chuxing”, “Huaxiaozhu”, “Baidu Map”, and “Tencent Map”, new partners such as “Tongcheng” and “Cloud Travel” have been added.

### 3. *Investment in advanced manufacturing industry investment fund*

The Company owns various investments around the globe, currently comprising a portfolio of assets in the energy sector and the mobility service sector. The Company has evaluated and considered that the application of advanced manufacturing will be a major global development trend. The advanced manufacturing sector features a wide range of applications across different industries, and the Company has been reviewing semiconductor industry developments in China and the global market.

According to reputable market projections, it is estimated that the global semiconductor market will reach US\$400 billion in 2021, and will achieve US\$900 billion by 2030. The global sales of semiconductor manufacturing equipment by original equipment manufacturers are forecast to reach US\$95.3 billion in 2021 comparing to US\$92.4 billion in 2020. The rapid development of smaller chips is expected to comply with more stringent requirements and new solutions for fabrication equipment. To capitalise on these market developments, the Company plans to gradually further expand its investment in opportunities relating to semiconductor equipment. In addition to the semiconductor industry, the solar power industry is another major advanced business that the Company will develop in the future. According to Bloomberg New Energy Finance (BNEF), the LCOE (levelized cost of electricity) of solar power has decreased by more than 80% over the past 10 years, where China has reached grid parity in 2020, which would speed up the industry growth in the future. According to reputable market forecasts, the global solar module market is estimated to reach US\$46.9 billion in 2021 and US\$78.1 billion in 2030, and the corresponding market size of the solar cell equipment market will reach US\$5.6 billion in 2030.

On 27 March 2021, Giant Charm Investments Limited (a wholly-owned subsidiary of the Company) (“**Giant Charm**”), Fortuna I SP and the partners of Soview International Fund LP (the “**Fund**”) entered into an amended and restated limited partnership agreement (the “**Amended and Restated Limited Partnership Agreement**”) for the admission of Giant Charm and Fortuna I SP as the limited partners into the Fund. According to the Amended and Restated Limited Partnership Agreement, the general partner of the Fund (the “**General Partner**”) is targeting approximately US\$300 million (equivalent to approximately HK\$2,330.94 million) in capital commitments from all existing and potential limited partners. Currently, Giant Charm and Fortuna I SP, as the limited partners of the Fund, proposed to make capital commitments of US\$105 million (equivalent to approximately HK\$815.83 million) and US\$80 million (equivalent to approximately HK\$621.59 million), respectively. The General Partner proposed to make capital commitments of US\$2 million (equivalent to approximately HK\$15.54 million). As of this announcement, Giant Charm has not yet made any actual payment into the Fund.

The Fund primarily focuses on a portfolio of advanced manufacturing companies and businesses, including but not limited to those engaging in the research, development and application of new, innovative or other state-of-the-art technologies, know-hows, processes, techniques, tools, materials for the development and/or fabrication of oil and gas exploration or production equipment, new energy facilities, semiconductor devices and products. The investment objective of the Fund is to seek to generate long-term capital appreciation through such investments.

For more details of the aforesaid investment, please refer to the announcement of the Company dated 28 March 2021.

## Use of proceeds from the Foxconn Subscription

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

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

The gross proceeds from the Foxconn Subscription are HK\$1,485 million. The net proceeds from the Foxconn Subscription (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 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 2021.

	<b>Intended use of Net Proceeds (after the change as announced on 24 June 2020) HK\$'000</b>	<b>Actual use of Net Proceeds as at 30 September 2021 HK\$'000</b>	<b>Unutilized Net Proceeds as at 30 September 2021 HK\$'000</b>
Investment or acquisition of targets in natural gas industry in China and in North America	1,100,000	900,000	501,000
Investment in up-stream shale gas and/or shale oil assets or projects overseas	300,000	300,000	–
Other investments for future development	83,000	83,000	–
General working capital	–	200,000	146,000



As at 30 September 2021, an aggregate amount of HK\$536 million had been utilized pursuant to the revised intended use, and the unutilized net proceeds of HK\$947 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.

## **OUTLOOK**

The Company is an investment holding company, principally engaged in the investment and management of different assets and businesses, currently including global energy assets and the mobility services business. The principal activities of its subsidiaries and invested portfolio companies consist of mobility services platform, oil and gas business and investment fund management in related businesses and sectors.

Entering the fourth quarter of 2021, the market generally believes that crude oil prices tend to rise in a short period of time. From the demand side, the overseas economy is still recovering. Recently, New Zealand, Indonesia, the U.S. and other countries have stated that they will further relax the epidemic prevention restrictions from September to November this year, which is expected to further accelerate the process of demand recovery. At the same time, OPEC and other institutions are currently predicting the shortage of coal and natural gas may result in an additional demand of 350-500 thousand barrels per day for crude oil in the fourth quarter. From the supply side, U.S. shale oil industry has not yet shown a tendency to increase production significantly. OPEC+ is still cautiously increasing production in accordance with the established plan. The current production plan is being implemented until the second half of 2022, and some member states have recently shown signs of weakness in increasing production, strengthening the market's expectation of short-term supply shortages and continuing depletion of inventories. Although market expectations are optimistic for a short period of time, in the long run, the driving factors of crude oil demand — transportation and chemical products — will be affected by the global carbon peak and carbon neutral policies, and the demand for crude oil will decrease. According to a third party forecast, the demand for crude oil will be reduced by 25% in 2030 and 50% in 2040, which in turn will cause crude oil prices to fall under pressure in the long run. From the perspective of production operations, risk control and response to extreme events, the Company will consider purchasing hedging instruments for upstream assets. At the same time, the Company will focus on maintaining asset liquidity and increasing future output in anticipation of subsequent high oil prices.

In review of the LNG market, the cost of LNG imports will maintain an upward trend, including the long-term contract LNG cost linked to rising international oil prices and LNG spot costs. Firstly, the epidemic has severely impacted on the global energy supply, whereas the demand for energy has gradually recovered. Secondly, in the context of carbon neutrality, clean energy has become a preferred choice for the global market, but its popularization requires long-term energy infrastructure construction. In the short to medium term, natural gas that can meet carbon-neutral standards is favoured. Thirdly, the current global shipping capacity is tight, shipping prices have repeatedly hit new highs, LNG fleet capacity is relatively insufficient, and supply chain bottlenecks have become prominent. Fourthly, the global supply chain is more dependent on China under the epidemic. The short-term surge in demand for industrial products has triggered a rise in energy consumption, including the demand for LNG. Still, the supply of LNG is restricted by the infrastructure construction cycle. Lastly, the probability of forming La Niña in the winter of 2021 is 70%-80%, and the cold winter is expected to increase the demand for natural gas consumption. The above factors will support the high cost of LNG procurement in the winter of 2021, which requires market participants to use financial instruments to hedge against the risk of rising costs. In addition, with the opening of the national pipeline network, JOVO and other LNG suppliers have customized gas supply services through deep binding with users such as urban combustion and power plants to meet the gas demand of different customers and increase gas sales. This effectively responded to the performance pressure caused by the rise in LNG prices.

In addition, the Company has been closely engaged in the operation and supervision of the mobility services platform. The entire mobility sector has experienced a strong recovery during the second quarter of 2021, with average daily orders (including ridesharing, online taxi orders and chauffeuring services) surpassing 32 million. The market continues to grow in the third quarter to 33-34 million average daily orders, albeit the regulatory restrictions placed on the market leader Didi has slowed down the growth of “express saver” and “Huaxiaozhu”. Tier 2 Ride-hailing players were the key drivers to the development of the market by launching various campaigns and providing customer and driver incentives. We expect the growth to last in the next few months and potentially push the entire market to reach a record high 35 million average daily orders. Since the regulator called for a 100% compliance rate and banned the registration of non-compliance drivers, we forecast the competition for compliant drivers will become more intense. The Company believes third-party platforms like Weipin will benefit from the market competition by enhancing collaborations with Tier 1 and Tier 2 players.

The Company has evaluated and considered that the application of advanced manufacturing will be a major global development trend. On 27 March 2021, Giant Charm, a wholly-owned subsidiary of the Company, entered into an amended and restated limited partnership agreement for its admission as a limited partner into a fund that primarily focuses on the advanced manufacturing sector.

As we advance, the Company’s top priority will remain to manage the liquidity at the portfolio company level in anticipation of continued uncertainty while pursuing the investment strategy on decarbonization and other green asset opportunities, including but not limited to investments in the advanced manufacturing sector. Meanwhile, the Company shall continue to pay close attention to the market environment to seize more business opportunities and consider exiting its mature investments so as to recognize the profits.

## FINANCIAL RESULTS REVIEW

### Comparing six months ended 30 September 2020 to six months ended 30 September 2021

#### *Revenue from sales*

The revenue from sales represents the crude oil net sales from Hongbo Mining, a wholly-owned subsidiary of the Company. It increased by HK\$22.0 million, or 50.8%, from HK\$43.2 million for the six months ended 30 September 2020 to HK\$65.2 million for the Reporting Period.

The increase was mainly due to the comprehensive effect of the significant increase in crude oil average selling prices and the decrease of 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 increased to approximately HK\$546 per barrel as compared to approximately HK\$287 per barrel for the six months ended 30 September 2020. The average unit selling price of Hongbo Mining's crude oil increased to approximately HK\$538 per barrel for the Reporting Period from HK\$310 per barrel for the six months ended 30 September 2020, which was consistent with the trend of global oil prices. On the other hand, Hongbo Mining's net sales volume decreased to 121,128 barrels for the Reporting Period from 140,248 barrels for the six months ended 30 September 2020, which was mainly due to natural production decline. For further details on the decrease of the production volume, please refer to "Business Review — Hongbo Mining Investment".

#### *Cost of sales*

Cost of sales represents the cost of sales of crude oil from Hongbo Mining, which increased by HK\$11.0 million, or approximately 28.6%, from HK\$38.4 million for the six months ended 30 September 2020 to HK\$49.4 million for the Reporting Period. The increase was mainly due to the workover occurred during the Reporting Period to stabilize the production under the non-drilling approach when facing the unstable crude oil price situation. For further details on the decrease of the production volume, please refer to "Business Review — Hongbo Mining Investment".

### ***Investment loss***

Investment loss mainly includes the following:

- (i) the fair value loss from the Stonehold investment of HK\$294.0 million. The loss of fair value change from the Stonehold investment was incurred as a result of the burgeoning global promotion of carbon neutralization as the international community acts decisively to combat climate change and limit global warming. Such acts have, directly and indirectly, promoted and induced the use of natural gas and other alternative renewable energy and consequently reduced the long-term demand for fossil fuels like crude oil and caused the expected long-term low oil price;
- (ii) the fair value gain from JOVO investment of HK\$134.1 million as a result of its IPO;
- (iii) the fair value loss from Symbio Infrastructure investment (formerly known as GNL Quebec investment) of HK\$68.3 million resulting from the Quebec provincial government's surprising announcement that it would not approve environmental permits for Symbio Infrastructure's Terminal;
- (iv) the share of losses of Weipin as an associate of HK\$14.8 million for the period from 22 June to 30 September 2021; and
- (v) the net fair value loss from other investments, share of losses of an associate and dividend income of a totaling loss of HK\$14.8 million.

### ***Administrative expenses***

The administrative expenses from continuing operations increased by HK\$7.7 million, or approximately 33.4%, from HK\$23.1 million for the six months ended 30 September 2020 to HK\$30.8 million for the Reporting Period. With recovery from the pandemic, the Company's investment activities increased, and the corresponding staff costs, travelling expenses and professional service fees increased accordingly.

### ***Taxes other than income tax***

Taxes other than income tax increased by HK\$2.5 million, or approximately 76.6%, from HK\$3.3 million for the six months ended 30 September 2020 to HK\$5.9 million for the Reporting Period, which was mainly due to the increase in resources tax levied on the sale of crude oil attributable to the revenue increase of Hongbo Mining.

### ***Exploration expenses, including dry holes***

The exploration expense decreased HK\$0.4 million, or approximately 47.0%, from HK\$0.8 million for the six months ended 30 September 2020 to HK\$0.4 million for the Reporting Period, which was mainly due to the decrease of exploration activities.

### ***Net finance income***

The net finance income of the continuing operations remains stable. The Company and its subsidiaries recorded net finance income of HK\$1.3 million and 1.4 million for the six months ended 30 September 2020 and the Reporting Period respectively.

### ***Loss before taxation from continuing operations***

Loss before taxation from continuing operations increased by HK\$267.6 million from a loss of HK\$9.8 million for the six months ended 30 September 2020 to a loss of HK\$277.4 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 from continuing operations remains stable which was HK\$1.8 million and HK\$1.6 million for the six months ended 30 September 2020 and the Reporting Period separately.

### ***Loss for the period from continuing operations***

Loss for the period from continuing operations increased by HK\$267.5 million from a loss of HK\$11.5 million for the six months ended 30 September 2020 to a loss of HK\$279.0 million for the Reporting Period which was primarily due to the cumulative effects of factors as discussed above in this section.

### ***Profit from discontinued operation***

Profit from discontinued operation refers to the net profit generated from Weipin for the period between 1 April 2021 and 21 June 2021, and mainly consists of the following:

- 1) the deemed disposal gain recognized at the Deconsolidation Date amounting to HK\$91.2 million; and
- 2) the loss from the business of Weipin for the period from 1 April to 21 June 2021 amounting to HK\$34.3 million.

For more details, please refer to Note 7 to the unaudited interim financial information of this interim results announcement.

### **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 before taxation for the periods indicated.

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2021</b>	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<b>(unaudited)</b>	(unaudited)
		(Restated)
Loss before taxation from continuing operations	<b>(277,372)</b>	(9,781)
Add: Interest expenses	<b>2,435</b>	3,638
Add: Depreciation and amortisation	<b>28,072</b>	26,809
	<hr/>	<hr/>
EBITDA from continuing operations	<b><u>(246,865)</u></b>	<u>20,666</u>

The EBITDA from continuing operations changed from a profit of HK\$20.7 million for the six months ended 30 September 2020 to a loss of HK\$246.9 million for the Reporting Period. The significant decrease of EBITDA is primarily attributable to the increase of loss of fair value change from the Stonehold investment, which was incurred as a result of the burgeoning global promotion of carbon neutralization as the international community acts decisively to combat climate change and limit global warming. Such acts have, directly and indirectly, promoted and induced the use of natural gas and other alternative renewable energy and consequently reduced the long-term demand for fossil fuels like crude oil and caused the expected long-term low oil price.

## 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's 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 in FY2020:

- **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 business:** 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.

The Group was deemed to dispose of the mobility services business segment which is principally engaged in online ride-hailing services to passengers through aggregation traffic platform on 21 June 2021. The results of the mobility services business segment for the period from 1 April 2021 to 21 June 2021 were classified as discontinued operation accordingly. The discontinued operation has resulted in a change in the Company and its subsidiaries' structure and therefore its composition of reporting segment. The comparative figures of segment disclosure have been represented to conform to current period presentation.

	Global energy investment		Mobility services business		Total	
	Six months ended 30 September		Six months ended 30 September		Six months ended 30 September	
	2021	2020	2021	2020	2021	2020
	(Restated)		(Restated)		(Restated)	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue from sales and services (Note 1)	65,212	43,236	751,157	291,632	816,369	334,868
Investment (loss)/income	(257,805)	11,300	–	–	(257,805)	11,300
<b>Reportable segment (loss)/profit (adjusted EBITDA) (Note 2)</b>	<b>(246,625)</b>	<b>20,876</b>	<b>(21,883)</b>	<b>(6,975)</b>	<b>(177,794)</b>	<b>13,901</b>
Depreciation and amortisation	(28,072)	(26,809)	(23,998)	(42,960)	(52,070)	(69,769)
Interest income	3,440	7,018	99	27	3,539	7,045
Interest expense	(2,435)	(3,638)	(461)	(316)	(2,896)	(3,954)
Impairment losses on trade receivables	–	–	(4,394)	–	(4,394)	–
<b>Reportable segment assets</b>	<b>3,005,554</b>	<b>3,022,112</b>	<b>–</b>	<b>586,058</b>	<b>3,005,554</b>	<b>3,605,170</b>
<b>Reportable segment liabilities</b>	<b>(270,149)</b>	<b>(260,874)</b>	<b>–</b>	<b>(205,205)</b>	<b>(270,149)</b>	<b>(466,079)</b>

*Note 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 year.

*Note 2:* 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, and time deposits are mostly denominated in US\$, HK\$ and RMB. As at 30 September 2021, the Company and its subsidiaries had unpledged cash and bank deposits of HK\$972.4 million (31 March 2021: HK\$1,022.7 million).

As at 30 September 2021, the Company and its subsidiaries had outstanding loans of HK\$7.2 million (31 March 2021: HK\$23.7 million).

As at 30 September 2021, the Company had Convertible Bond (as defined in the RTO Circular) with carrying amount of approximately HK\$37.9 million (31 March 2021: HK\$36.1 million). The aggregate principal amount of the Convertible Bond is HK\$40.0 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 2021.

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 2021, the gearing ratio (ratio of the sum of total bank and other borrowings, Convertible Bond to the total assets) was approximately 1.5% (31 March 2021: 1.7%).

## **MAJOR RISK MANAGEMENT**

The market risk exposures of the Company in its energy investment business 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. As at 30 September 2021, the Company did not hold any such 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\$ 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 has indicated to continue to provide more resources and access to larger driver pools 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 2021, 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 2021		At 30 September 2021		At 31 March 2021
	Investment loss <i>HK\$'000</i> (Unaudited)	Interests received <i>HK\$'000</i> (Unaudited)	Fair Value <i>HK\$'000</i> (Unaudited)	Approximate percentage to the total assets (Unaudited)	Fair Value <i>HK\$'000</i> (Audited)
Stonehold investment	<u>294,005</u>	<u>39,815</u>	<u>630,610</u>	<u>21.0%</u>	<u>964,430</u>

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 2021, 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**

### **Deconsolidation of the Mobility Services Business**

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

On 21 June 2021, the shareholders of Weipin, including the Company, agreed to enter into the Agreement to, among other things, make adjustments to the structure of the board of Weipin in order to provide the management of Weipin with more flexibility in terms of decision making over its operations. Pursuant to the Agreement, the Company agrees to lower its number of designated directors from 3 to 2 directors in the board of Weipin. After the Adjustment, the total number of board members in Weipin has decreased from a total of 5 members to 4 members. Thus, the Company no longer has the majority voting right of the board of directors in Weipin and any decision-making power over the management and business activities of Weipin.

The shareholding percentage held by the Company in Weipin remains unchanged at 35.5%, and Weipin was reclassified as an investment portfolio of the Company. Under the relevant regulatory requirements and accounting standards, the financial results of Weipin ceased to be consolidated into the Company's financial statements, and the investment in Weipin has then been reclassified as interest in an associate under the application of the equity method accounting since 21 June 2021.

### **The Financial Impact Due to the Deconsolidation**

The Company recorded a profit after taxation from discontinued operation for the period from 1 April 2021 to 21 June 2021 amounting to HK\$56.9 million. The profit is mainly attributed from:

- (1) the investment gain of HK\$91.2 million from deemed disposal recognized at the Deconsolidation Date; and
- (2) the loss from the business of Weipin amounting to HK\$34.3 million. Comparatively, the Company recorded a loss for the period from 1 April 2020 to 30 September 2020 amounting to HK\$40.0 million. The decrease of the loss is mainly due to the difference of the comparable period and the improvement of the operations of Weipin by expansions into more cities.

For more details of the financial results from discontinued operation, please refer to Note 7 to the unaudited interim financial information of this interim results announcement.

During the Reporting Period, other than deconsolidation of Weipin, 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 2021, Hongbo Mining's land, buildings, machinery and equipment amounting to approximately HK\$91.9 million had been pledged as the security to secure financing facilities granted to Hongbo Mining (31 March 2021: HK\$93.5 million).

## **CONTINGENT LIABILITIES**

So far as known to the Directors, as at 30 September 2021, 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 2021, the Company and its subsidiaries had no capital commitment (31 March 2021: Nil) contracted but not provided for the acquisition of property, plant and equipment.

## **SHARE AWARD SCHEME**

The Company has adopted a share award scheme (the “**Share Award Scheme**”) on 6 August 2021. The purposes of the Share Award Scheme are (1) to recognise the contributions or the future contributions by certain employees and persons of the Company and its subsidiaries and to provide them with incentives in order to retain them for the continual operation and development of the Company and its subsidiaries, and (2) to attract suitable personnel for further development of the Company and its subsidiaries.

The maximum aggregated number of shares permitted to be awarded under the Share Award Scheme (“**Awarded Shares**”) throughout the 10-year duration of the Share Award Scheme is limited to 4% of the issued share capital of the Company. The maximum number of Awarded Shares which may be awarded to a selected participant under the Share Award Scheme should not exceed 1% of the issued share capital of the Company.

On 7 October 2021, 60,120,000 Awarded Shares, representing 0.87% of the total shares then in issue, were granted to 10 employees of the Company and its subsidiaries (the “**Grantees**”) pursuant to the terms of the Share Award Scheme at nil consideration. Among these Awarded Shares granted, (1) 25,050,000 Awarded Shares were vested immediately following the date of grant, which are subject to a lock-up period and will be equally released in five tranches from 2022 to 2026; and (2) the remaining 35,070,000 Awarded Shares shall be vested in five equal tranches immediately following each anniversary of the date of grant from 2022 to 2026. The vesting of these Awarded Shares is subject to the satisfaction of vesting conditions specified in the award notice issued to each of the respective Grantees. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, none of the Grantees is connected with the Company or its connected persons as at the date of grant.

For details of the Share Award Scheme and the grant of Awarded Shares, please refer to the announcements of the Company dated 6 August 2021 and 7 October 2021, respectively, published on the websites of the Company ([www.idgenergyinv.com](http://www.idgenergyinv.com)) and the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)).

## **INTERIM DIVIDENDS**

The Directors do not recommend the payment of an interim dividend during the Reporting Period (31 March 2021: 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 2021, the Company and its subsidiaries had 98 (31 March 2021: 331) employees in Hong Kong and the PRC. During the Reporting Period, the total staff costs (including the directors' emoluments) amounted to HK\$35.0 million (Six months ended 30 September 2020: HK\$29.9 million). Employees' remuneration package was reviewed periodically and determined with reference to the performance of the individual and the prevailing market practices. Employees' remuneration package includes basic salary, year-end bonus, medical and contributory provident fund.

## **AUDIT COMMITTEE AND REVIEW OF RESULTS**

The Audit Committee 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 Audit Committee comprises two Independent Non-executive Directors and a Non-executive Director who possess the appropriate business and financial experience and skills to understand financial statements. Mr. Chau Shing Yim David is the chairman of Audit Committee and the other two members of the committee are Mr. Shi Cen and Mr. Lin Dongliang. The Audit Committee has adopted terms of references which are in line with the CG Code.

The Audit Committee together with the management has reviewed the accounting principles and practices adopted by the Company and its subsidiaries and discussed the financial reporting matters including the review of the Company and its subsidiaries' unaudited consolidated interim results for the six months ended 30 September 2021 with no disagreement with the accounting treatment adopted by the Company.

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

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed shares during the Reporting Period.

## **COMPLIANCE WITH THE 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.

Throughout the Reporting Period, the Board has reviewed the Company and its subsidiaries' corporate governance practices and is satisfied that the Company has complied with the code provisions of the CG Code, 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.

## **MODEL CODE FOR SECURITIES TRANSACTIONS**

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 standards set out in the Model Code throughout the Reporting Period.

## **CHANGE IN INFORMATION OF DIRECTORS**

The changes in certain information of Directors during the Reporting Period are set out below pursuant to Rule 13.51B(1) of the Listing Rules:

Mr. Shi Cen, an independent non-executive Director, is a non-executive director of Sciclone Pharmaceuticals (Holdings) Ltd. (stock code: 6600), the shares of which were first listed on the Main Board of the Stock Exchange on 3 March 2021.

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 EVENTS AFTER THE REPORTING PERIOD**

Except for as disclosed above and elsewhere in this announcement, there are no material subsequent events undertaken by the Company after 30 September 2021 and up to the publication date of this announcement.

## **PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT**

This announcement is published on the Hong Kong Exchanges and Clearing Limited's website ("**HKExnews website**") at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company's website at [www.idgenergyinv.com](http://www.idgenergyinv.com).

The interim report of the Company for the Reporting Period containing all the information required by Appendix 16 of the Listing Rules will be despatched to the Shareholders and published on the HKExnews website and the Company's website in due course.

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

Hong Kong, 26 November 2021

*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.*