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# **IDG Energy**

## **IDG ENERGY INVESTMENT GROUP LIMITED**

### **IDG 能源投資集團有限公司\***

*(formerly known as “Shun Cheong Holdings Limited 順昌集團有限公司”)*

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 650)**

### **VOLUNTARY ANNOUNCEMENT**

### **INVESTMENT IN JIANGXI JOVO ENERGY COMPANY LIMITED**

This announcement is made by IDG Energy Investment Group Limited (the “**Company**”, together with its subsidiaries, collectively referred to as the “**Group**”) on a voluntary basis.

#### **SUBSCRIPTION AGREEMENT**

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that on 14 July 2017, Valuevale Investment Limited, a wholly-owned subsidiary of the Company, entered into a subscription agreement (the “**Subscription Agreement**”) with Jiangxi Jovo Energy Company Limited\* (江西九豐能源有限公司) (the “**Target Company**” or “**JOVO**”), pursuant to which the Company has conditionally agreed to subscribe for, and the Target Company has conditionally agreed to allot and issue, shares of the Target Company at a consideration of RMB100 million (equivalent to approximately HK\$115.2 million) (the “**Subscription**”). The Subscription is subject to fulfilment and/or waiver, if applicable, of certain conditions precedent. As at the date of this announcement, the Subscription has not yet been completed.

The terms (including the consideration) of the Subscription Agreement have been arrived after arm’s length negotiations among the parties. The Board considers that the terms of the Subscription Agreement are on normal commercial terms which are fair and reasonable, and the entering into of the Subscription Agreement is in the interests of the Company and its shareholders as a whole.

#### **INFORMATION ON THE TARGET COMPANY**

JOVO is a limited liability company incorporated in the People’s Republic of China which engages in clean energy businesses, including importing, processing and sale of the industrial products of Liquefied Petroleum Gas (“**LPG**”) and Liquefied Natural Gas (“**LNG**”). JOVO commenced its business in 1990s and has become a leading provider of clean energy in China. By the end of 2016, JOVO has grown its total assets to approximately RMB3 billion, achieved a total revenue of approximately RMB8 billion and gained a net profit of above RMB300 million.

\* *For identification purposes only*

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, each of the Target Company and its ultimate beneficial owners is a third-party independent of the Company and its connected persons.

## **REASONS FOR AND BENEFIT OF THE SUBSCRIPTION**

Natural gas has always been one of the Company's core investment areas, especially after Chinese government re-emphasized it as one of the country's main energy sources. In China's 13th Five-Year Plan, natural gas consumption is expected to achieve a double-digit growth. Accordingly, China's demand on natural gas imports will also go up significantly. In Dongguan City of Guangdong Province, JOVO owns and operates an LNG receiving terminal which is in the centre of a high energy consumption region and is also regarded as a crucial and scarce asset in the industry.

The Company believes that this strategic investment will not only bring good financial return for its shareholders but also provide great advantages for the Company to participate in the satisfaction of the rapidly growing need of natural gas in China.

The Board believes that the Subscription is in line with the Group's business strategy and will bring the Company synergies in the future.

## **LISTING RULES IMPLICATIONS**

Since all applicable ratios in respect of the Subscription under Rule 14.07 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") are lower than 5%, the Subscription does not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

*For the purpose of this announcement, unless otherwise indicated, the exchange rate of RMB\$1.00 = HK\$1.1522 has been used, where applicable, for the purpose of illustration only and does 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.*

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

Hong Kong, 17 July 2017

*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. Lee Khay Kok; two are non-executive Directors, namely Mr. Lin Dongliang and Mr. Shong Hugo; and three are independent non-executive Directors, namely Prof. Chen Zhiwu, Mr. Shi Cen, and Mr. Chau Shing Yim David.*

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