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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)

ANNOUNCEMENT

CONNECTED TRANSACTION

PROPOSED AMENDMENTS TO THE TERMS AND CONDITIONS OF HK\$120,000,000 CONVERTIBLE BONDS DUE 2018

3RD DEED OF AMENDMENT

On 15 August 2017, the Company and Titan Gas entered into the 3rd Deed of Amendment to further extend the maturity date of the Convertible Bonds, to add restriction on the exercise of conversion rights to ensure the compliance with the public float requirement of the Listing Rules, and to remove certain adjustment events to the Conversion Price.

Pursuant to the 3rd Deed of Amendment, on the Effective Date, (i) the maturity date of the Convertible Bonds will be extended to a date falling on 30 April 2022 and the expiry date of the conversion period will accordingly be extended to a date falling on 30 April 2022; (ii) the holder(s) of the Convertible Bonds shall not exercise the conversion rights if, immediately following the conversion, the Company would be unable to meet the public float requirement under the Listing Rules; and (iii) the Anti-dilutive Adjustment Events will be removed, and the Conversion Price will only be subject to adjustment for consolidation or sub-division of Shares, capitalisation of profits or reserves and capital distribution to Shareholders.

* For identification purposes only

LISTING RULES IMPLICATIONS

As of the date of this announcement, Titan Gas is the controlling Shareholder, and therefore, is a connected person of the Company under the Listing Rules. As such, the Proposed Amendments contemplated under the 3rd Deed of Amendment between the Company and Titan Gas constitute connected transactions of the Company, which are subject to reporting, announcement and the Independent Shareholders' approval under Chapter 14A of the Listing Rules.

Given that Mr. Wang Jingbo is considered to have material interests in the 3rd Deed of Amendment, he has abstained from voting in respect of the relevant Board resolutions. Save as stated above, none of other Directors has a material interest in the 3rd Deed of Amendment nor has any of them abstained from voting in respect of the relevant Board resolutions.

The Company has appointed VBG Capital as an independent financial adviser to advise the Independent Shareholders and the independent board committee of the Company regarding the 3rd Deed of Amendment and the Proposed Amendments. VBG Capital is a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities as defined under the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong).

An independent board committee comprising all the independent non-executive Directors has been established by the Company, who will form their views on the 3rd Deed of Amendment and the Proposed Amendments after considering the advice of VBG Capital.

As at the date of this announcement, Titan Gas can exercise the voting power in respect of 829,641,578 Shares at the SGM, representing 51.32% equity interest in the Company. In view of its interests in the 3rd Deed of Amendment and the Proposed Amendments, Titan Gas will abstain from voting in respect of the resolution approving the 3rd Deed of Amendment and the Proposed Amendments at the SGM. Save as disclosed above, to the best of the knowledge, information and belief of the Directors, after having made all reasonable enquiries, no other Shareholder or any of their respective associates have material interest in the 3rd Deed of Amendment and the Proposed Amendments, thus no other Shareholders or their associates are required to abstain from voting in favour of the resolution approving the 3rd Deed of Amendment and the Proposed Amendments.

A circular containing details of the Convertible Bonds, the Proposed Amendments, the 3rd Deed of Amendment, and the respective letters of advice from the independent board committee and VBG Capital will be dispatched to the Shareholders as soon as practicable on or before 16 August 2017 in accordance with the requirements set out in the Listing Rules.

BACKGROUND INFORMATION

References are made to (i) the announcement dated 31 October 2007 and the circular dated 21 November 2007 of the Company in relation to the issue of the Convertible Bonds; (ii) the announcement dated 28 March 2013 and the circular dated 29 April 2013 of the Company in relation to the extension of the maturity date; (iii) the announcement dated 3 June 2014 and the circular dated 13 June 2014 of the Company in relation to the further extension of the maturity date; and (iv) the announcement dated 28 October 2015 and the circular dated 29 June 2016 of the Company in relation to the transfer of part of the Convertible Bonds from Tanisca to Titan Gas.

On 29 October 2007, the Company and Tanisca entered into the Subscription Agreement, pursuant to which the Company agreed to issue to Tanisca, and Tanisca agreed to subscribe for the Convertible Bonds in the principal amount of HK\$120,000,000 to be issued by the Company. The Convertible Bonds were issued on 28 March 2008. The Convertible Bonds bear 1% interest per annum and are convertible into Shares. All outstanding Convertible Bonds would mature on 28 March 2013 pursuant to the then terms and conditions of the Convertible Bonds.

On 28 March 2013, the Company and Tanisca entered into the 1st Deed of Amendment for the extension of the maturity date, pursuant to which the maturity date of the Convertible Bonds shall be a date falling on 28 March 2015. Apart from the extension, all terms of the Convertible Bonds remained unchanged from the original terms.

On 3 June 2014, the Company and Tanisca entered into the 2nd Deed of Amendment for further extension of the maturity date, pursuant to which the maturity date of the Convertible Bonds shall be a date falling on 30 April 2018. Apart from the extension, all terms of the Convertible Bonds remained unchanged from the original terms.

On 22 June 2015, Tanisca, Titan Gas, Upsky Enterprises Limited and Mr. Mo Tianquan entered into the S&P Agreement, pursuant to which, among other things, Tanisca agreed to sell to Titan Gas, and Titan Gas agreed to purchase the Convertible Bonds in the principal amount of HK\$96,832,526.

As at the date of this announcement, Titan Gas holds the Convertible Bonds with an aggregate principal amount of HK\$96,832,526, and Tanisca holds the Convertible Bonds with an aggregate principal amount of HK\$23,167,474. For the reasons as stated in the paragraph headed “Reasons for the Proposed Amendments” below in this announcement, the Company proposed the extension of the maturity date and the other proposed amendments to the holders of the Convertible Bonds, which are subject to agreement from the existing bondholders of the Convertible Bonds (i.e. Tanisca and Titan Gas). However, the Company has been informed by Tanisca that Tanisca does not wish to further extend the Convertible Bonds held by it in the principal amount of HK\$23,167,474 as Tanisca may consider exercising the conversion rights attached to all the Convertible Bonds held by it into Conversion Shares before the Current Maturity Date and thus does not agree to the Proposed Amendments. Meanwhile, Titan Gas has no present intention to convert or transfer any of the Convertible Bonds held by it, and has agreed with the Proposed Amendments. Given the aforementioned situation, a bondholder meeting to approve the Proposed Amendments is not a viable option as the quorum requiring at least 2 bondholders may not be formed. Accordingly, the Company agreed to enter into the 3rd Deed of Amendment only

with Titan Gas allowing the Proposed Amendments expediently becoming effective as soon as Tanisca exercises its conversion rights attached to the Convertible Bonds held by it. Although the Company may alternatively choose to later enter into a deed of amendment with Titan Gas after Tanisca exercises its conversion rights in full, the Company considers additional time and cost will be incurred to obtain the independent shareholders' approval in that case. After taking the above into account, the Company decided to make the Proposed Amendments with Titan Gas only (as the sole bondholder on the Effective Date) with effect on the Effective Date, which is not in breach of the current Terms and Conditions and is in the interest of the Shareholders and the Company as a whole.

As disclosed in the circular of the Company dated 13 June 2014 in relation to the 2nd Deed of Amendment, the then Directors intended to partially redeem and leave the unredeemed portion of the Convertible Bonds converted into Shares upon maturity so as to allow the Company to meet the public floating requirement of the Listing Rules upon conversion. During 2015 and 2016, the Company underwent a reverse takeover and the Board has been changed in August 2016 following the completion of the reverse takeover. The current Board considered that the Group should utilise its available cash resources for its business development and expansion plans on a priority basis after due consideration. As such, the Company has not redeemed any Convertible Bonds. As at the date of this announcement, none of the Convertible Bonds is converted, purchased or redeemed, and the principal amount of the outstanding Convertible Bonds is HK\$120,000,000.

The current Conversion Price is HK\$0.0672 per Conversion Share, which has been adjusted in accordance with the Terms and Conditions.

3RD DEED OF AMENDMENT

On 15 August 2017, the Company and Titan Gas, as the sole bondholder of the Convertible Bonds on the Effective Date, entered into the 3rd Deed of Amendment to further extend the maturity date of the Convertible Bonds, to add restriction on the exercise of conversion rights to ensure the compliance with the public float requirement of the Listing Rules, and to remove certain adjustment events to the Conversion Price, which will become effective on the Effective Date.

Pursuant to the 3rd Deed of Amendment, on the Effective Date, (i) the maturity date of the Convertible Bonds will be extended to a date falling on 30 April 2022 and the expiry date of the conversion period will accordingly be extended to a date falling on 30 April 2022; (ii) the holder(s) of the Convertible Bonds shall not exercise the conversion rights if, immediately following the conversion, the Company would be unable to meet the public float requirement under the Listing Rules; and (iii) certain anti-dilutive adjustment events to the Conversion Price in relation to the issue of new shares and other securities (the “**Anti-dilutive Adjustment Events**”) will be removed, and the Conversion Price will only be subject to adjustment for consolidation or sub-division of Shares, capitalisation of profits or reserves and capital distribution to Shareholders.

Below is the comparison of major differences between the original terms of the Convertible Bonds and the Proposed Amendments:

	summary of the original terms of the Convertible Bonds	the Proposed Amendments
Maturity	<p>The date falling on the maturity date of the Bond on 28 March 2015 shall be extended to 30 April 2018 upon expiry of the same. Unless previously redeemed, purchased and cancelled or converted, all of outstanding Bond will be converted into ordinary shares of the Company on the extended maturity date.</p>	<p>The date falling on the maturity date of the Bond on 30 April 2018 shall be extended to 30 April 2022 upon expiry of the same. Unless previously redeemed, purchased and cancelled or converted, all of outstanding Bond will be converted into ordinary shares of the Company on the extended maturity date.</p>
Public Float Requirement		<p>The conversion rights attaching to the Convertible Bonds shall not be exercised by the holder of the Convertible Bonds and the Company will not issue the Conversion Shares if, immediately following the conversion, the Company would be unable to meet the public float requirement under the Listing Rules.</p>

**summary of the original terms of the
Convertible Bonds**

the Proposed Amendments

Adjustments

- | | |
|--|--|
| (a) consolidation or sub-division of the Shares; | (a) consolidation or sub-division of the Shares; |
| (b) capitalisation of profits or reserves; | (b) capitalisation of profits or reserves; and |
| (c) capital distribution to the Shareholders; | (c) capital distribution to the Shareholders. |
| (d) offer to Shareholders new Shares for subscription by way of rights or grant to Shareholders options or warrants to subscribe for new Shares, at a price which is less than 90 per cent of the market price as at the date of the announcement of the terms of the issue or grant; | |
| (e) issue wholly for cash of any securities, which are convertible into or exchangeable for or carry rights of subscription for new Shares, and the total consideration initially receivable per Share is less than 90 per cent of the market price as at the date of the announcement of the terms of issue of such securities, or the modification which results that total consideration is less than 90 per cent of the market price as at the date of the proposal to modify such rights; | |
| (f) issue wholly for cash of any Shares at a price per Share which is less than 90 per cent of the market price as at the date of the announcement of the terms of such issue; and | |
| (g) issue of Shares for the acquisition of asset at an aggregate consideration per Share is less than 90 per cent of the market price as at the date of the announcement of the terms of such issue. | |

The 3rd Deed of Amendment will only become effective on the Effective Date subject to the fulfilment of all the following conditions:

- (a) the Company having convened a special general meeting at which a resolution shall have been duly passed by the Independent Shareholders to approve and ratify the 3rd Deed of Amendment and the Proposed Amendments;
- (b) the Stock Exchange having granted the approval for the Proposed Amendments; and
- (c) all necessary consents and approvals required to be obtained on the part of the Company in respect of the 3rd Deed of Amendment and the Proposed Amendments having been obtained.

Save for the Proposed Amendments, all other major Terms and Conditions shall remain in full force.

Prior to the Effective Date, the Convertible Bonds are held by Titan Gas and Tanisca (where applicable), and are subject to the current Terms and Conditions. After the Effective Date, the Convertible Bonds will be solely held by Titan Gas, and will be subject to the revised Terms and Conditions (as amended by the Proposed Amendments).

The current Conversion Price is HK\$0.0672 per Conversion Share, which is subject to adjustment events under the current Terms and Conditions (including the Anti-dilutive Adjustment Events) before the Effective Date. In the event that the current Conversion Price is adjusted pursuant to the current Terms and Conditions before the Effective Date, the Company will re-comply with the relevant applicable requirements under the Listing Rules for the Proposed Amendments, including the independent shareholders' approval (if applicable).

As Titan Gas will be the sole bondholder after the Effective Date, amending the Terms and Conditions through signing the 3rd Deed of Amendment between the Company (as the issuer) and Titan Gas (as the sole bondholder on the Effective Date) with effect on the Effective Date is not in breach of the current Terms and Conditions.

TERMS AND CONDITIONS OF THE CONVERTIBLE BONDS

The principal terms of the Convertible Bonds after the Effective Date are as follows:

- Principal amount: HK\$96,832,526
- Maturity: Unless previously redeemed, purchased and cancelled or converted, all of the outstanding Convertible Bonds will be converted into ordinary shares of the Company on 30 April 2022.
- Redemption: Upon written confirmation having been obtained from the holder(s) of the Convertible Bonds, the Company has the option to redeem the Convertible Bonds. Otherwise, the Company is not entitled to redeem the Convertible Bonds.
- Interest: The Convertible Bonds will bear interest at the rate of 1% per annum, payable semi-annually in arrear.
- Conversion rights: The holder(s) of the Convertible Bonds will have the right at any time commencing on the Business Day after the date of issuance of the Convertible Bonds but before 30 April 2022, to convert the whole or part of the principal amount of the Convertible Bonds into the Shares, provided that the principal amount to be converted shall be at least HK\$1,000,000, and in integral multiples of HK\$1,000,000 on each such conversion, save that if at any time the outstanding principal amount of the Convertible Bonds is less than HK\$1,000,000, the whole (but not part only) of such outstanding principal amount of the Convertible Bonds may be converted.
- Public Float Requirement: The conversion rights attaching to the Convertible Bonds shall not be exercised by the holder of the Convertible Bonds and the Company will not issue the Conversion Shares if, immediately following the conversion, the Company would be unable to meet the public float requirement under the Listing Rules.
- Conversion Price: The current Conversion Price is HK\$0.0672 per Conversion Share (as adjusted before and as may be further adjusted before the Effective Date), subject to adjustment for consolidation or subdivision of Shares, capitalisation of profits or reserves and capital distribution to Shareholders.
- Conversion Shares: The Conversion Shares will rank *pari passu* in all respects with the existing Shares in issue.
- Transferability: The Convertible Bonds may be assigned or transferred to any party. The Company will undertake to the Stock Exchange that it will disclose to the Stock Exchange any dealings by any of the connected persons from time to time in the Convertible Bonds immediately upon the Company becoming aware of such dealings.
- Voting right: Holder(s) of the Convertible Bonds (or any part thereof) will not be entitled to attend or vote at any Shareholders' and/or warrant holders' meetings of the Company by reason only of it being a holder of the Convertible Bonds (or any part thereof).

Listing and trading: No application will be made for the listing of the Convertible Bonds and permission to deal in the Convertible Bonds on the Stock Exchange or any other stock exchange.

Undertaking: So long as the Convertible Bonds are outstanding, the Company will comply with and procure the compliance of all conditions imposed by the Stock Exchange or by any other competent authority (in Hong Kong or elsewhere) for approval of the issue of the Convertible Bonds or for the listing of and permission to deal in the Conversion Shares and to ensure the continued compliance thereof.

REASONS FOR THE PROPOSED AMENDMENTS

(1) Extension of the maturity date

Pursuant to the current Terms and Conditions, the Convertible Bonds will mature on 30 April 2018 unless further extended. Unless previously redeemed, purchased and cancelled or converted, all of the outstanding Convertible Bonds will be converted into Shares on 30 April 2018.

As at the date of this announcement, Titan Gas holds 829,641,578 Shares, or 51.32% of the issued share capital of the Company. In the event that all the outstanding Convertible Bonds are converted into Shares, 1,440,960,208 new Shares will be issued to Titan Gas and 344,754,077 new Shares will be issued to Tanisca. The following table illustrates the Company's existing shareholding structure and the respective shareholding structure upon full conversion of the Convertible Bonds by Tanisca and Titan Gas assuming there is no other change in the share capital of the Company and the Convertible Bonds:

Name of Shareholder	As at the date of this announcement		Immediately upon full conversion of the Convertible Bonds by Tanisca at conversion price of HK\$0.0672		Immediately upon full conversion of the Convertible Bonds by Tanisca and Titan Gas at conversion price of HK\$0.0672	
	Number of Shares	%	Number of Shares	%	Number of Shares	%
Titan Gas	829,641,578	51.32	829,641,578	42.30	2,270,601,786	66.73
Tanisca (Note 1)	—	—	344,754,077	17.58	344,754,077	10.13
			34,753,409	1.77	34,753,409	1.02
Lin Dongliang (Note 2)	12,910,000	0.80	12,910,000	0.66	12,910,000	0.38
Sub-total	842,551,578	52.11	1,222,059,064	62.30	2,663,019,272	78.27
Public	<u>774,188,997</u>	<u>47.89</u>	<u>739,435,588</u>	<u>37.70</u>	<u>739,435,588</u>	<u>21.73</u>
Total	<u>1,616,740,575</u>	<u>100.00</u>	<u>1,961,494,652</u>	<u>100.00</u>	<u>3,402,454,860</u>	<u>100.00</u>

Notes:

1. As at the date of this announcement, Upsky Enterprises Limited holds 34,753,409 Shares, representing approximately 2.15% of the issued share capital and forming part of the public shareholding. Both Tanisca and Upsky Enterprises Limited are companies wholly-owned by the same individual. The aggregate shareholding of Tanisca and Upsky Enterprises Limited will exceed 10% upon full conversion of the Convertible Bonds, and thus the Shares held by Tanisca and Upsky Enterprises Limited upon full conversion of the Convertible Bonds shall not be counted for public Shares.
2. As at the date of this announcement, Mr. Lin Dongliang, a non-executive Director, beneficially held 12,910,000 Shares, which shall not be counted for public Shares.

In the event that Titan Gas exercises the conversion rights attaching to its Convertible Bonds in full after Tanisca Conversion Date, the Company would be in breach of the public float requirement under the Listing Rules, which normally requires that at least 25% of the Company's share capital must at all times be held by the public. Full conversion of the Convertible Bonds by Titan Gas will not be allowed in the event that it will lead to a breach of the public float requirement under the Listing Rules. If Titan Gas is to convert the Convertible Bonds in full, it would have to sell a material amount of Shares on the market. The Company considers that this may not be in the best interests of the Company and the Shareholders as this may potentially create substantial downward pressure of the market price of the Shares given the recent price performance and trading liquidity.

Furthermore, full redemption of the Convertible Bonds will reduce the available cash resources of the Group, which may impose negative impact on the Group's liquidity and negatively affect the Group's further business development and expansion plans, including the exploration and development of its existing oil project in China, and potential acquisitions of and investments in other oil and gas or energy related projects.

In November 2016, the Group entered into a sale and purchase agreement in relation to the acquisition of certain oil and gas producing assets in South Texas of the United States of America (the "**US Investment**") at the cash consideration of US\$278 million (equivalent to approximately HK\$2,156 million), subject to adjustments as set out in the agreement. Whilst on 3 August 2017, the Group terminated the US Investment, it had been actively negotiating with the sellers in relation to a transaction under an alternative structure regarding the assets of the sellers. On 14 August 2017, the Group entered into a credit agreement with an experienced investor, which entered into an acquisition agreement with one of the sellers on the even date in relation to the acquisition of part of the assets originally to be purchased by the Group under the US Investment (the "**Alternative Acquisition**"). The Group agreed to grant a term loan to the investor under the credit agreement (the "**Term Loan**") for the purpose of financing the Alternative Acquisition and the subsequent operations of such assets by the investor. Please refer to the announcements of the Company dated 3 and 15 August 2017 for details. It is expected that the available cash resources of the Group will be utilised for the Term Loan, if materialised, and/or other potential oil and gas or energy related projects as elaborated above.

The proposed extension preserves the cash resources of the Group by allowing the Group to refinance the debts under the Convertible Bonds under the same terms (other than the removal of the Anti-dilutive Adjustment Events) for a further 48 months. The interest rate of the Convertible Bonds (i.e. 1% per annum) is lower than the general cost of borrowing of the Group and there is no need for any guarantee or security. As such, the proposed extension will provide the Group with flexibility in deploying its cash resources in a less costly manner.

In view of the above factors, the Company and Titan Gas entered into the 3rd Deed of Amendment to further extend the maturity date of the Convertible Bonds.

(2) Restrictions on the exercise of the conversion rights

Considering the possible transfer of the Convertible Bonds in the future, the Company proposes that any exercise of the conversion rights attaching to the Convertible Bonds by the bondholders shall be subject to the public float requirement of the Listing Rules.

The Directors are of the view that the restrictions on the exercise of the conversion rights will put the Company in a better position to comply with the public float requirement of the Listing Rules.

(3) Removal of certain adjustment events

The Company also proposes to remove the Anti-dilutive Adjustment Events in order to protect the interests of the minority Shareholders.

The Anti-dilutive Adjustment Events are customary and common to many convertible bonds and notes. The proposed removal of the Anti-dilutive Adjustment Events reduces the possibility of an increase in the number of Conversion Shares which will be held by the holders of the Convertible Bonds. It represents a restriction on the holders of the Convertible Bonds by minimizing the likelihood for them to convert the Convertible Bonds into additional Shares, and a protection to the interests of the minority Shareholders from potential additional dilution as a result of any future equity fund raising during the term of the Convertible Bonds. This also gives the Company a better position in determining and negotiating the structure and terms (in particular pricing) of any potential future equity fund raising activity. For the avoidance of doubt, as at the date of this announcement, no concrete plan for equity fund raising activity has been formed by the Company.

The Directors are of the view that the proposed removal of the Anti-dilutive Adjustment Events represents a waiver of rights by Titan Gas, and will not pose any significant adverse impact on the operations of the Group or the rights of the minority Shareholders.

The Board (excluding the independent non-executive Directors who will form their views after considering the advice of VBG Capital) considers that the terms of the 3rd Deed of Amendment and the Proposed Amendments are fair and reasonable and in the interests of the Shareholders and the Company as a whole.

LISTING RULES IMPLICATIONS

As of the date of this announcement, Titan Gas is the controlling Shareholder, and is a connected person of the Company under the Listing Rules. As such, the Proposed Amendments contemplated under the 3rd Deed of Amendment between the Company and Titan Gas constitute connected transactions of the Company, which are subject to the reporting, announcement and the Independent Shareholders' approval under Chapter 14A of the Listing Rules.

Given that Mr. Wang Jingbo is considered to have material interests in the 3rd Deed of Amendment, he has abstained from voting in respect of the relevant Board resolutions. Save as stated above, none of other Directors has a material interest in the 3rd Deed of Amendment nor has any of them abstained from voting in respect of the relevant Board resolutions.

The Company has appointed VBG Capital as an independent financial adviser to advise the Independent Shareholders and the independent board committee of the Company regarding the 3rd Deed of Amendment and the Proposed Amendments. VBG Capital is a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities as defined under the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong).

An independent board committee comprising all the independent non-executive Directors has been established by the Company, who will form their views on the 3rd Deed of Amendment and the Proposed Amendments after considering the advice of VBG Capital.

As at the date of this announcement, Titan Gas can exercise the voting power in respect of 829,641,578 Shares at the SGM, representing a 51.32% equity interest in the Company. In view of its interests in the 3rd Deed of Amendment and the Proposed Amendments, Titan Gas will abstain from voting in respect of the resolution approving the 3rd Deed of Amendment and the Proposed Amendments at the SGM. Save as disclosed above, to the best of the knowledge, information and belief of the Directors, after having made all reasonable enquiries, no other Shareholders or any of their respective associates have material interest in the 3rd Deed of Amendment and the Proposed Amendments, thus no other Shareholders or their associates are required to abstain from voting in favour of the resolution approving the 3rd Deed of Amendment and the Proposed Amendments.

A circular containing details of the Convertible Bonds, the Proposed Amendments, the 3rd Deed of Amendment, and the respective letters of advice from the independent board committee and VBG Capital will be dispatched to the Shareholders as soon as practicable on or before 16 August 2017 in accordance with the requirements set out in the Listing Rules.

GENERAL

The principal activity of the Company is investment holding. The principal activities of the Group consist of upstream crude oil exploration, development and production.

Titan Gas is an investment holding company.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“1st Deed of Amendment”	the deed of amendment entered into by the Company and Tanisca on 28 March 2013 to extend the maturity date of the Convertible Bonds to 28 March 2015
“2nd Deed of Amendment”	the deed of amendment entered into by the Company and Tanisca on 3 June 2014 to extend the maturity date of the Convertible Bonds to 30 April 2018
“3rd Deed of Amendment”	the deed of amendment entered into by the Company and Titan Gas on 15 August 2017 in relation to the Proposed Amendments
“associates”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day”	any day (other than a Saturday or Sunday) on which licensed banks are open for general banking business in Hong Kong
“Company”	IDG Energy Investment Group Limited (formerly known as Shun Cheong Holdings Limited), a company incorporated in Bermuda with limited liability whose ordinary Shares are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Conversion Price”	the price per Conversion Share at which the Convertible Bonds may be converted into the Conversion Shares under the Terms and Conditions
“Conversion Share(s)”	the Share(s) to be issued by the Company upon conversion of the Convertible Bonds pursuant to the Terms and Conditions
“Convertible Bond(s)”	the convertible bonds issued by the Company under the Terms and Conditions
“Current Maturity Date”	30 April 2018
“Director(s)”	director(s) of the Company
“Effective Date”	the effective date for the Proposed Amendments, which shall be the second day of (whichever is later) (i) Tanisca Conversion Date; or (ii) the date obtaining the Shareholders’ approval on the Proposed Amendments by the Company

“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong Dollars, the lawful currency of the Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Shareholders”	Shareholders other than Titan Gas and its associates (if any)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Proposed Amendments”	the proposed amendments to the Subscription Agreement and the Terms and Conditions as set out in the 3rd Deed of Amendment
“SGM”	a special general meeting of the Company to be held at United Conference Centre Limited — Room 4, 10/F., United Centre, 95 Queensway, Admiralty, Hong Kong on Friday, 1 September 2017 at 10 a.m. for considering, if thought fit, approving the ordinary resolution in respect of the 3rd Deed of Amendment and the Proposed Amendments
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“S&P Agreement”	the conditional sale and purchase agreement dated 22 June 2015 (as subsequently amended) entered into among the Tanisca, Titan Gas, Upsky Enterprises Limited and Mr. Mo Tianquan
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Agreement”	the subscription agreement dated 29 October 2007 entered into between the Company and Tanisca in respect of the subscription of the Convertible Bonds, and as amended by the 1st Deed of Amendment and the 2nd Deed of Amendment
“Tanisca”	Tanisca Investments Limited, a company wholly-owned by Mr. Mo Tianquan and the subscriber of the Convertible Bonds under the Subscription Agreement

“Tanisca Conversion Date”	the date on which Tanisca exercises its conversion rights attached to all the Convertible Bonds in the principal amount of HK\$23,167,474 into Conversion Shares on or prior to the Current Maturity Date, or if Tanisca does not exercise its conversion rights, the Current Maturity Date on which all its outstanding Convertible Bonds will be converted into the Shares under the Terms and Conditions
“Terms and Conditions”	terms and conditions of the Convertible Bonds (as amended from time to time)
“Titan Gas”	Titan Gas Technology Investment Limited, a company incorporated in the British Virgin Islands with limited liability, which owns 51.32% of the issued share capital of the Company as of the date of this announcement
“VBG Capital”	VBG Capital Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities as defined under the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong), which has been appointed to advise the independent board committee of the Company and the Independent Shareholders in respect of the 3rd Deed of Amendment and the Proposed Amendments
“%”	per cent

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

Hong Kong, 15 August 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.