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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

FURTHER INFORMATION ON MAJOR TRANSACTION IN RELATION TO ENTERING INTO THE CREDIT AGREEMENT

Reference is made to the announcement of IDG Energy Investment Group Limited (the “**Company**”) dated 15 August 2017 (the “**Announcement**”) in relation to, among others, the entering into of a credit agreement by the Company (the “**Transaction**”). Unless otherwise defined, capitalized terms used herein shall have the same meanings as those defined in the Announcement. The Company hereby announces the following further information in relation to the Transaction.

The Company estimates that its maximum total commitment under the Term Loan contemplated under the Credit Agreement will be approximately US\$181.4 million (approximately HK\$1,419 million), assuming that no Senior Debt would be raised and all the non-equity portion of the adjusted purchase price of the Target Assets on closing of the Acquisition would be financed by the Company and Think Excel. Such maximum total commitment amount are estimated based on (i) the estimated Net Purchase Price and (ii) a maximum amount of up to US\$10 million for funding of future working capital and capital expenditure requirement of the Target Assets. The Company and Think Excel may make certain Senior Debt Payment if the Senior Debt is raised, but the Company currently assesses that the likelihood for such Senior Debt Payment is quite low and such Senior Debt Payment is not quantifiable at present.

* For identification purposes only

The Company, Think Excel and Stonehold are in the process of negotiating the Senior Debt with certain commercial bank(s). It is currently contemplated that if it materialises, the Senior Debt will take up 40% to 60% of the Net Purchase Price. Assuming that the Company and Think Excel are not required to make the Senior Debt Payment, the total commitment of the Company and Think Excel under the Term Loan will be as follows:

No.	Percentage of the Senior Debt in the Net Purchase Price	Estimated total commitment of the Company and Think Excel under the Term Loan
1.	40%	Approximately US\$112.8 million (approximately HK\$882.7 million)
2.	60%	Approximately US\$78.5 million (approximately HK\$614.3 million)

Note: Pursuant to the terms of the Credit Agreement, the Net Purchase Price represents the adjusted purchase price on closing of the Acquisition calculated pursuant to the terms of the Acquisition Agreement minus the total Equity Contribution (being US\$5 million (approximately HK\$39.12 million) as at the date of the Credit Agreement) and, if any amount of Senior Debt is funded on or before the closing of the Acquisition, the principal amount of such funded Senior Debt. As at the date of this announcement, the amount of the adjusted purchase price on closing of the Acquisition is yet to be determined. The initial purchase price of US\$176,368,333 (approximately HK\$1,380,082,208) for the Acquisition is used for calculating the Net Purchase Price and considering the total commitment of the Company and Think Excel under the Term Loan.

Further announcement(s) on the Senior Debt Payment, if any, will be made by the Company as and when appropriate in compliance with the Listing Rules.

For the purpose of this announcement, unless otherwise indicated, the exchange rate of US\$1.00 = HK\$7.8250 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, 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.

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