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# **IDG Energy**

## **IDG ENERGY INVESTMENT GROUP LIMITED**

### **IDG 能源投資集團有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 650)**

### **VOLUNTARY ANNOUNCEMENT ACQUISITION OF INTEREST IN LNG QUEBEC LIMITED PARTNERSHIP**

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.

#### **THE ACQUISITION**

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that on 30 November 2017, Golden Libra Investment Limited, a wholly-owned subsidiary of the Company, entered into an agreement of purchase and sale (the “**Agreement of Purchase and Sale**”) with an investment fund (the “**Fund**”) for purchasing its interests in LNG Quebec Limited Partnership (the “**Partnership**”) at the purchase price of US\$3.15 million (equivalent to approximately HK\$24,633,000) (the “**Acquisition**”).

The Board is pleased to announce that all conditions precedent in the Agreement of Purchase and Sale have been satisfied and the completion of the Acquisition took place on 7 February 2018. Upon completion of the Acquisition, the Company holds minority interest in the Partnership.

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

\* For identification purposes only

## INFORMATION ON THE PARTNERSHIP

The Partnership, through its wholly-owned subsidiary GNL Quebec Inc. (“**GNLQI**”), is developing a state-of-the-art and low-carbon-emission liquefied natural gas (“**LNG**”) exporting terminal (the “**Terminal**”) with a maximum nameplate liquefaction capacity of up to eleven million tons per annum. The Terminal will be located in Saguenay, Quebec, Canada and GNLQI is in the process of applying for various permits for its construction. GNLQI plans to commence the construction in the fourth quarter of 2020 and expects to export its first cargo of LNG in the fourth quarter of 2024. The Terminal is designed to receive, liquefy and export up to 1.55 billion standard cubic feet of natural gas per day (equivalent to approximately 15.4 billion cubic meters per year) from gas supply sources in North America and is well-located to deliver cost-competitive LNG to Asia, Europe and South America, etc. The Partnership was initiated and funded by Freestone International LLC and Breyer Capital LLC in 2013, and the Fund became a limited partner of the Partnership in 2014.

## REASONS FOR AND BENEFITS OF THE ACQUISITION

The Company completed its investment in Jiangxi Jovo Energy Company Limited\* (江西九豐能源有限公司) on 28 July 2017, which marked an important milestone for the Company by providing opportunities of importing low-cost natural gas overseas and participating in the satisfaction of the rapidly growing need of natural gas in China.

North America has considerable amount of low-cost natural gas as a result of the shale gas revolution started in mid-2000s, and the current scarcity of export terminal projects limits its natural gas exportation to global markets. With terminal projects being constructed and put into use, North America’s LNG export is expected to increase by several times. The Terminal is a project with unique and competitive advantages which can produce natural gas of globally competitive price with low operational expenses and capital expenditure.

The Board believes that the Acquisition perfectly matches the Group’s business strategy and, together with the Company’s existing investments, has achieved the first step of its key layout of natural gas import and export, and will bring the Company synergies in natural gas industry as well as good financial returns.

## LISTING RULES IMPLICATIONS

As at the date of this announcement, to the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Fund is not a connected person of the Company under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Acquisition is not a connect transaction of the Company under the Listing Rules.

Since all applicable ratios in respect of the Acquisition under Rule 14.07 of the Listing Rules are less than 5%, the Acquisition 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 US\$1.00 = HK\$7.82 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, 8 February 2018

*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.*