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IDG Energy Investment
IDG ENERGY INVESTMENT LIMITED
IDG 能源投資有限公司*

(formerly known as “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
FORMATION OF A JOINT VENTURE COMPANY

This announcement is made by IDG Energy Investment Limited (the “**Company**”) on a voluntary basis.

JOINT VENTURE AGREEMENT

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that, on 25 September 2018, the Company, through one of its wholly-owned subsidiaries, has entered into the 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 Shanghai JUSDA Energy Co. Ltd. (上海准時達能源供應鏈有限公司) (the “**JV**”), to be engaged in liquefied natural gas (“**LNG**”) logistics services. Pursuant to the JV Agreement, the registered capital of the JV will be RMB200 million, of which JUSDA, the Company and the Management agree to contribute RMB102 million, RMB78 million and RMB20 million, with their respective percentage of interest in the JV to be 51%, 39% and 10%. The total investment in the JV will be up to RMB500 million and each of JUSDA, the Company and the Management will have the pre-emptive right to make further contribution to the JV on a pro rata basis.

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

* For identification purposes only

INFORMATION ON JUSDA

JUSDA is a service platform of supply chain management for Foxconn Technology Group and a pilot in integrating B2B supply chain services around the world. JUSDA has realized the end-to-end collaborative operation of smart logistic system platforms with the integration information network of big data analysis, cloud platform construction, and Internet of Things and has built a smart supply chain real-time collaborative platform based on DT big data operation in the Industry 4.0 technology era.

With the outstanding global supply chain management experience, JUSDA has been certified with the national AAAAAA integrated logistic enterprise qualification, AEO enterprise advanced certification, ISO9001, NVOCC, and World Cargo Alliance. JUSDA has become a significant business partner to more than 3,000 3C component manufacturers and customers around the world and serves more than 1,000 well-known brand customers.

INFORMATION ON THE MANAGEMENT

Mr. Mei Zulin is the CEO of the JV and leads the management team. He has more than 17 years of experience in transportation and logistics industries. Mr. Mei has held various positions with Shanghai Sinochem JN Energy Limited* (上海中化集能燃氣利用有限公司), Shanghai Dazhong Transportation (Group) Co., Ltd.* (上海大眾交通股份(集團)有限公司), Liangyou Xingang Storage and Transportation Limited of Shanghai Liangyou (Group) Co., Ltd.* (上海良友集團良友新港儲運有限公司), Sinochem International Corp.* (中化國際(控股)股份有限公司) and Huaxing Crew Management Company of Sinochem International Logistics Co., Ltd.* (中化物流化興船員管理公司).

REASONS FOR AND BENEFITS OF THE FORMATION OF JV

The JV will benefit from the extensive network of natural gas resources of the Company, which will give its customers access to LNG resources in the North America and the Asia Pacific Region. JUSDA, as the sole logistics chain management platform designated under Foxconn Technology Group, has a wide container transportation network and strong bargaining power among the industry, which will provide strong support to the JV in improving its LNG logistics services and reducing relevant costs.

The Company is currently focusing on taking advantage of the substantial investment opportunities arising from China's increasing demand for imported nature gas and the emerging North America LNG export market due to abundant low-cost shale gas supply, and has been making strategic investments throughout the LNG value chain. The formation of the JV is in line with the Company's business and investment strategies and is another important investment along the LNG value chain, which the Company believes will not only bring good financial return for its shareholders but also provide great advantages for the Company to meet the rapidly growing need of natural gas in China.

LISTING RULES IMPLICATIONS

As at the date of this announcement, to the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, neither JUSDA nor the Management is 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 formation of the JV is not a connected transaction of the Company under the Listing Rules.

Since all applicable ratios in respect of the formation of the JV under Rule 14.07 of the Listing Rules are less than 5%, the formation of the JV does not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

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

Hong Kong, 25 September 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.

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